

INTERLOCAL AGREEMENT
AND PLAN OF MERGER

- (1) Parties: City of Montpelier and Berlin Fire District No. 1
- (2) Purpose: By merger, City to acquire all operating assets, franchises, easements, licenses and permits of the Fire District, including the Fire District's receivables, bank accounts and liabilities.
- (3) Debt: Fire District bonds (VMBB) due \$16,128.57 December 1, 2001/2003, and \$1,587.92 June 1, 2001; \$1,105.43 June 1, 2002; and \$576.56 June 1, 2003. Fund debt service payment account (\$51,655.62) out of invested proceeds of collected accounts receivables and other available unrestricted Fire District funds. Deposited for investment with the Bond Trustee (Stratevest). No negative arbitrage consequence. In the alternative, effect an early redemption or defeasance of the bonds through application of available funds.
- (4) Approval: Initially, Montpelier City Council and Berlin Fire District No. 1 Prudential Committee (24 V.S.A. §§1482 and 3305, No. 317 of the Acts of 1957, et al.), and Agency of Natural Resources, Department of Environmental Conservation. Electoral approval by City and Fire District voters and subsequent ratification by General Assembly (24 V.S.A. §1485).
- (5) Due Diligence: Water test reports, usage history, surveys and plans, engineering review, repair logs, inspection.
- (6) Continuation: Berlin Fire District No. 1 and City of Montpelier vote to merge. Upon General Assembly ratification, Fire District charter is abolished. Assets formerly owned by Berlin Fire District No. 1 become the property of the City of Montpelier. Available Fire District reserves and funds applied to prepay water service for Fire District users.
- (7) Rates: City rates applied uniformly throughout service area. However, all existing connections are grandfathered to the City's present and future lowest residential rate as per existing agreement. Future connections to be controlled by then-existing City rates (commercial/residential) and connection fees. All property in Berlin

served by Montpelier subject to Montpelier water ordinances and lien for service. (Section 7 of No. 318 of Acts of 1957)

(8) Term: Indefinite term, until approved by voters in the City and in the Fire District.

(9) Extended Service: As agreed upon by City Council and Board of Selectmen under existing law.

(10) Administration: Maintenance, testing, billing, etc., folded into Montpelier's system.

(11) Entitlement: Berlin Fire District No. 1 relinquishes 100,000 gpd of its ^{300,000}~~200,000~~ gpd water entitlement for allocation by the City of Montpelier within Berlin Fire District No. 3, dedicating 50,000 gpd to or for the benefit of Central Vermont Medical Center, Inc.

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**ADDENDUM - INTERLOCAL AGREEMENT
AND PLAN OF MERGER**

The Interlocal Agreement and Plan of Merger approved by the Montpelier City Council on September 12, 2001 and by the Berlin Fire District No. 1 Prudential Committee on October 20, 2001 is amended as follows:

- (1) Future connection applications within the Fire District service area will be treated in all respects as connection applications within the City service area.
- (2) Existing Fire District water service and supply commitments will be honored by the City.
- (3) City water rates will be applied uniformly throughout the Fire District service area following a transition period.
- (4) The City will continue to maintain fire hydrants within the Fire District service area.
- (5) The City shall be entitled to collect Fire District accounts receivable to the extent the Fire District declines to do so.

February 27, 2002

INTERLOCAL AGREEMENT

THIS AGREEMENT, entered into by and between the CITY OF MONTPELIER (the "CITY") and BERLIN FIRE DISTRICT NO. 1 (the "FIRE DISTRICT") under authority of 24 V.S.A. §§1472 and 3305, Section 1 of No. 317 of the Acts of 1957, and Section 7 of No. 318 of the Acts of 1957:

IN CONSIDERATION OF ONE DOLLAR, and other good and valuable consideration, payment, sufficiency and receipt of which is mutually acknowledged, and in consideration of the several covenants, representations, undertakings and commitments set forth herein, the parties agree as follows:

1. The term of this Agreement shall be twenty-five years, commencing July 1, 2003, and shall renew itself automatically for another term of twenty-five years, subject to
 - a. the parties mutually terminating the same at any time;
 - b. either party terminating this Agreement upon five years' advance written notice to the other party; or
 - c. ratification by the General Assembly of the merger of the FIRE DISTRICT and the CITY as approved on March 5, 2002.
2. Notwithstanding the continued existence of the FIRE DISTRICT, CITY, effective July 1, 2002, has assumed the testing, monitoring, reporting and regulatory compliance functions of FIRE DISTRICT's public water supply system under permits and licenses granted to the CITY by the Secretary of the Agency of Natural Resources.
3. FIRE DISTRICT's public water supply system shall be integrated functionally into CITY's public water supply system in all respects, including rates, ordinances, maintenance, repairs, connections and capacity allocations.
4. All current FIRE DISTRICT water service and supply commitments will be honored by the CITY.
5. FIRE DISTRICT shall furnish CITY with data necessary for CITY to integrate FIRE DISTRICT service connections into CITY's meter reading, accounting and billing procedures. At uniform same intervals CITY shall bill FIRE DISTRICT property owners for water service furnished by CITY, such rates and charges to be a lien upon property connected to or furnished water as provided by law.

6. Within the FIRE DISTRICT, CITY shall have available to it all remedies available at law or in equity to perfect, enforce and collect water rates, fees and charges upon property within the FIRE DISTRICT served by the CITY.
7. The parties acknowledge that 100,000 gpd of FIRE DISTRICT's current allotment of water has been allocated to Central Vermont Medical Center, Inc.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by its officers, duly authorized at a regular meeting of the Montpelier City Council on June 11, 2003, and at a regular meeting of the Berlin Fire District No. 1 Prudential Committee on June 10, 2003.

BERLIN FIRE DISTRICT NO. 1

By: William H. Hector
Chairman, Prudential Committee

CITY OF MONTPELIER

By: [Signature]
City Manager

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