

Fire district's receiver reports some savings

By Keith Whitcomb Jr. Staff Writer Dec 22, 2018

The person appointed to manage bond payments for a defunct water district says she was able to save those in the system some money.

On Dec. 10, Linda Joy Sullivan, court-appointed receiver for Rutland Town Fire District #10, filed a report in Vermont Superior Court Rutland Civil Division saying she had calculated what the district owes to the Vermont Municipal Bond Bank and found it to be \$154,437, which is \$7,767 less than what the bond bank had initially said.

Earlier this year, the Vermont Bond Bank filed a lawsuit recoup money from a loan it made to the district through the Vermont Drinking Water State Revolving Fund. The district hadn't made payments on the loan in 2017, largely because everyone on its governing Prudential Committee resigned, essentially leaving the district leaderless.

Rutland Town Fire District #10 is a small water district and its own municipality. It has no legal connection to the town of Rutland. Kevin Mullin, a former state senator from Rutland who lives in the water district, told the Herald in May that about 40 homes are within the water district's boundaries. All have their own wells.

Sullivan said Friday all ratepayers in the water district have paid what they owe for the bond. A hearing has been scheduled Jan. 24, she said, to see if a judge will accept Sullivan's report, which outlines how the remaining funds will be spent.

According to Sullivan's report, on Nov. 13 she received from the bond bank a Notice of Final Payments Due which included her revised calculation on what was owed on the loan, plus a 12-percent penalty amounting to \$18,532. She said an assessment was done on the 28 properties served by district, assessing each at \$6,400. Notices of the assessments and final bills went out Oct. 1 to the 28 property owners with a Dec. 1 due date. Sullivan said the bank was sent its money Nov. 24 and promptly cashed the check.

This left \$38,768 in the receivership account, according to the report. As of Nov. 30, the receiver, tax collector and counsel for the receiver were owed \$20,852 with another \$3,100 expected to be incurred thereafter. If the court approves the report and these invoices are paid, that will leave \$14,815 in the receiver account, which Sullivan's report says can go toward the 12 percent penalty.

Also, her report recommends that a certain well, "Well No. 8," be abandoned, as its ownership isn't clear and the cost of figuring that out would likely exceed any benefit from doing so. She said any physical assets used to operate the system be abandoned and any assets under town property revert to town ownership. The report further recommends the district be dissolved, though acknowledges that it's beyond the scope of the receiver to pursue that. It says the court should order a prudential committee be appointed made up of district residents to take over district records, that or allow Sullivan to destroy them after a certain period of time.

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