

Annual Report

ACTON WATER DISTRICT

For the year ending December 31, 2016



Warrant Articles for the Annual Meeting

March 15, 2017



The pump test for the proposed extraction well which will help to control the 1,4-dioxane plume associated with the Nuclear Metals Incorporated Superfund site, was conducted in the fall of 2016. Water was stored in temporary tanks at our 16 Knox Trail property and disposed of at a proper treatment facility.

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The Acton Water District welcomes you to visit our Website at:

www.actonwater.com

Our publications are always available on our website.

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COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.



To the Clerk of the Water Supply District of Acton, GREETINGS:

You are directed to notify the inhabitants of the Town of Acton who are qualified to vote in elections and town affairs, to assemble at their precinct:

Precinct 1, 2 & 6 - Conant School, 80 Taylor Rd.

Precinct 3, 4 & 5 - Blanchard Auditorium, Junior High School, 16 Charter Rd.

Acton, Massachusetts

On Tuesday, March 28, 2017

Between 7:00 A.M. and 8:00 P.M.

Then and there to bring their votes on one ballot for the following officers:

Commissioner for three years

District Clerk for three years

You are further directed to notify the legal voters of the Town of Acton, as aforesaid, to assemble at:

Acton Memorial Library

486 Main Street

Acton, Massachusetts

On Wednesday, March 15, 2017, 7:30 P.M.

Then and there to Act on the following Articles:

Article 1. To fix salaries of the elected officials.

Article 2. To act on the reports of the Commissioners, the Treasurer and other officers and committees of the District.

Article 3. To see if the District will vote to authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2017, in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17, or to take any other action relative thereto.

Article 4. To see what sums of money the District will vote to raise and appropriate to defray the usual expenses of the District.

Article 5. To see if the District will vote to transfer from Surplus Revenue the sum of \$150,000 for the maintenance and repair of the various treatment facilities including, but not limited to, media replacement in the filtration tanks, aeration tower repair, and replacement of packing material, or to take any other action relative thereto.

Article 6. To see if the District will vote to transfer from Surplus Revenue the sum of \$65,000 to clean and rehabilitate existing wells throughout the District or to take any other action relative thereto.

Article 7. To see if the District will vote to transfer from Surplus Revenue the sum of \$35,000 for the purpose of replacing old water mains, renewing old water services, replacing old fire hydrants or to take any other action relative thereto.

Article 8. To see if the District will vote to transfer from Surplus Revenue the sum of \$15,000 to complete a system-wide leak detection survey or to take any other action relative thereto.

Article 9. To see if the District will vote to transfer from Surplus Revenue the sum of \$30,000 for the purpose of repairing emergency water main breaks or to take any other action relative thereto.

Article 10. To see if the District will vote to authorize the Commissioners to enter into a long-term written lease, with options to extend for a period not to exceed thirty (30) years, for the purpose of a pump and treat system for 1,4-dioxane remediation on a 100' X 150' segment of land owned by the District at 16 Knox Trail in Acton. The written lease shall include an annual rental charge of not less than the current fair market value rent for the use of the property and shall provide for annual increases based on the consumer price index. The lease shall include other terms, conditions and limitations as the Commissioners shall deem necessary and proper to protect the public water supply and to satisfy the requirements and regulations of the Department of Environmental Protection and the Environmental Protection Agency or to take any other action relative thereto.

Article 11. To see if the District will vote to transfer from Surplus Revenue the sum of \$60,000 for the replacement of the granular activated carbon media at the Clapp and Whitcomb well sites on Massachusetts Avenue in Acton or to take any other action relative thereto.

Article 12. To see if the District will vote to transfer from Surplus Revenue the sum of \$70,000 for purchase of two general service vehicles, and approval to sell or trade the District's 2004 Chevrolet 2500 Silverado Service Truck and 2007 Ford Escape or to take any other action relative thereto.

Article 13. To see if the District will vote to transfer from Surplus Revenue the sum of \$500,000 for water main improvements throughout the District's water system or to take any other action relative thereto.

Article 14. To see if the District will vote to appropriate the sum of \$50,000 for an engineered update to the District's Master Plan or to take any other action relative thereto.

Article 15. To see if the District will vote to transfer from Surplus Revenue the sum of \$50,000 for the purchase of a residuals management tank for the Clapp and Whitcomb treatment facility or to take any other action relative thereto.

Hereof fail not and make due returns of this Warrant with your doings thereon to the Water Commissioners on or before the time of holding of said meeting.

Given under our hand this 23rd day of January in the year two thousand and seventeen.

Stephen C. Stuntz

Leonard A. Phillips

Ronald R. Parenti, Water Commissioners

A true copy. ATTEST:

William T. Stanford

District Clerk

FY 2018 Budget and Estimated Revenue				
	Actual FY 2016	Budget FY 2017	6 Month Actual	Budget FY 2018
EXPENSES				
Accounting	2,000	500	-	500
Audit	15,000	15,000	15,000	15,000
Auto Maint & Fuel	42,362	50,000	18,977	50,000
Backflow/Cross Conn	779	1,000	-	1,000
Bank Fees	0	500	-	500
Short Term Debt	0	100,000	-	100,000
Long Term Debt	1,563,139	1,543,000	451,678	1,529,310
Chemicals	64,967	75,000	36,300	75,000
Computer Maintenance	13,358	15,000	2,279	15,000
DEP Withdrawal	5,212	6,500	5,335	6,500
Employee Education	13,744	15,000	3,128	17,500
Engineering	49,935	55,000	5,377	55,000
Health/Life Insurance	289,314	325,000	157,451	350,000
Hydrants	9,975	10,000	1,874	10,000
Information Reports	4,239	10,000	3,115	45,000
Insurance	69,784	80,000	75,268	80,000
Laboratory Analysis	32,000	40,000	24,964	50,000
Legal	65,000	40,000	26,314	40,000
Lights/Power/Fuel	273,487	425,000	148,373	350,000
Maintenance & Operations	237,373	275,000	143,278	325,000
Middlesex Retirement	165,791	181,125	177,725	207,041
Meters	100,000	75,000	43,874	40,000
Office Supplies	18,000	18,000	6,390	20,000
OPEB Expense	100,000	100,000	100,000	100,000
Paving	44,831	60,000	9,743	60,000
Petty Cash	600	1,000	300	1,000
Postage	16,414	20,000	5,585	20,000
Reserve Fund	0	100,000	-	100,000
Salaries & Wages	1,199,990	1,298,000	614,323	1,350,000
South Acton WTP M&O	150,000	0	-	0
Telephone	16,889	16,000	7,746	16,000
Total	4,564,183	4,950,625	2,084,397	5,029,351
REVENUE				
Water Revenue	3,137,976	2,443,725	1,968,207	2,570,471
Service Fee	507,000	510,000	255,000	515,220
Debt Service Fee	1,554,800	1,541,900	782,000	1,545,660
Total Water Revenue	5,199,776	4,495,625	3,005,207	4,631,351
Fire Protection Sprinklers	40,112	38,000	39,340	38,000
Rent/Lease	153,671	145,000	52,482	88,000
Repairs/Installation	79,110	50,000	26,877	50,000
Cross Connection	23,071	22,000	12,262	22,000
Demand Fees	439,850	200,000	100,750	200,000
Total Other Revenue	735,814	455,000	231,711	398,000
Total	5,935,590	4,950,625	3,236,918	5,029,351

Report of the Treasurer
Audited Account Balances
June 30, 2016

Sovereign Bank	323,892.63
Enterprise Bank	786,680.31
MMDT	1,185,847.39
Citizens Bank	6,692.73
Webster Bank	41,595.31
First Trade Union	28,470.37
UniBank	391,499.89
Total	2,764,678.63

Report of the Collector
Audited Account Balances
June 30, 2016

Accounts Receivable June 30, 2015	114,019.11
Charges	5,938,259.47
Interest Charges	27,085.34
Refunds	1,597.01
	6,080,960.93
Payments	5,935,590.44
Abatements	16,727.03
Adjustments	-
Outstanding June 30, 2016	128,643.46
	6,080,960.93

Outstanding Debt
June 30, 2016

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Treatment Plant	6,000,000	3.57%	2/15/2009	2/15/2029	3,900,000
Water Mains	2,135,000	2.03%	8/15/2013	8/15/2023	1,705,000
SA Treatment Plant	13,470,767	2.00%	1/17/2015	1/7/2035	12,925,861

Respectfully submitted,
Mary J. Bates
Treasurer/Collector

Report of the Commissioners for 2016

We Commissioners are delighted to be serving as your elected representatives to the Acton Water District (AWD). It is particularly nice to hear spontaneous comments from several of you about how nice it is to work with AWD employees when you have the need to fix something or to get more information. For that we thank our District Manager – Chris Allen who continues to do an outstanding job. This annual report reflects our thoughts and what we are working on to ensure the continuation of the high regard that the AWD is held by its peers.

After the last several years of high activity including the construction of two state of the art filtration facilities, this past year may appear to have been relatively peaceful. That is not actually the case, as there is a significant new threat to our wells in South Acton, much preparation for the future as we investigate new ways to increase the life of our pipes in the ground, and constantly watch what is happening around our wells to make sure that the water we deliver is of the quality to which we are committed and that you deserve. Examples:

- **Monitoring the Superfund site at Nuclear Metals in Concord.**

This actually began several years ago when the site was designated a Super Fund site. The AWD hired an environmental lawyer to work with Matt Mostoller our Environmental Manger to ensure that Acton's needs were considered in the cleanup. This has continued with regular meetings with the contractor hired by the EPA for the cleanup. This site is the source of pollution that is traveling at depth under the Assabet River in a northwest direction and poses a serious threat to the water withdrawn by our Assabet wells. The AWD is researching treatment systems and methods so that we will be prepared to deal with this threat if it exceeds acceptable levels of pollution.

- **Bidding for the new technologies for in-situ relining of water mains.**

The ability to reline some of our old pipes while in place rather than trenching and putting in new pipes saves a tremendous amount of money and aggravation to walkers and drivers. An impregnated mesh tube is inserted into the main and then expanded to full size and hardened by a catalyst to form a hard waterproof coating inside the old main. There are not many contractors capable of doing this work and we are busy making sure that the bidding process gets the results we want.

- **Launching an update to our 5 year plan.**

Working with our engineers (Wright-Pierce) we are developing a comprehensive 5 year plan to address supply, treatment and distribution issues that will be facing the District during this period.

- **Working with the Acton Board of Selectmen in dealing with Concord and its requests.**

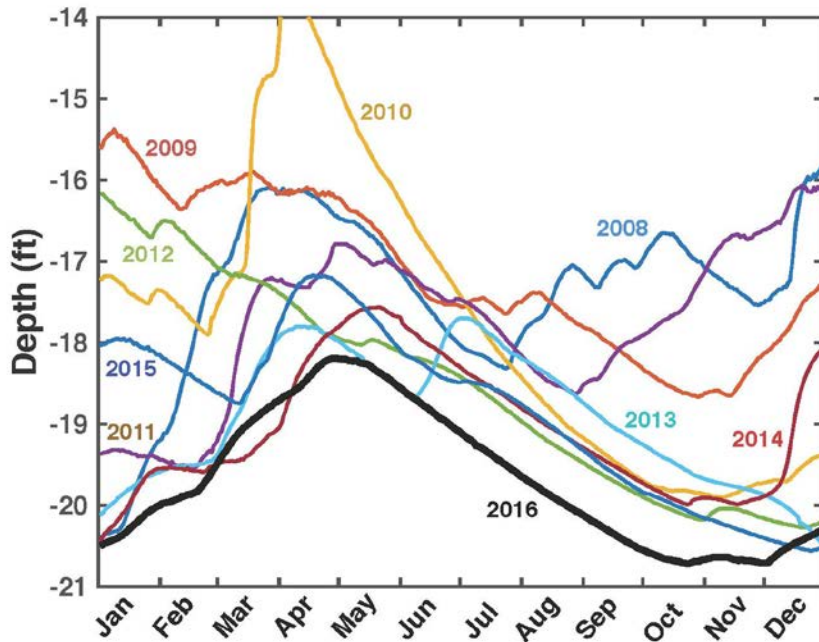
It has been an exciting time working through some of the request that Concord had made on Acton. From parking their school buses on land next to our wells in South Acton to their expansion of their treatment plant at Nagog Pond in North Acton. Since the issues have been mostly zoning ones, the responsibility for enforcement has fallen to the Town rather than to the AWD. We have aided where we can.

- **Keeping our Bond Rating at levels that will allow us to borrow for future improvements at very good rates.**

We continue our conservative bookkeeping procedures under the direction of Mary Jo Bates our Treasurer. We have maintained our AA+ rating that allows us to borrow at preferred rates. Our latest short term rate from the Clean Water Trust was 0.11%. Yes less than 1%.

- **Our continued conservation efforts and dealing with the drought status.**

Our regular conservation and efficiency programs were keeping the AWD on an even keel through the start of the drought affecting our ground water supplies during calendar year 2016, following a winter of minimal snowfall—a key source of the water we pump to the system during the following months. When the State mandated further cutbacks, we followed up and saw usage drop even further. We thank you for watching how you use water every day and adhering to restrictions as needed. We have also instituted monthly meter readings for many of our customers to help find leaks earlier and to make sure that large bills are not run up for lack of information. The chart below tracks the water table over the last nine years. The measurement device is maintained by United States Geological Survey in partnership with the Commonwealth of Massachusetts and is located at the junction of Route 2 westbound and Wetherbee Street.



The bi-annual newsletter that we send to all of you is full of detailed information on the current state of affairs at the District and is good reading for all who are interested. Issues that are necessary to review sooner than a year are reflected in these publications and through our digital media.

We invite you to come to our Annual Meeting on Wednesday March 15th at 7:30 PM at the Acton Memorial Library, and any of our semi-monthly Commissioners' meetings.

Respectfully submitted,

Stephen C. Stuntz, Chairman
Ronald R. Parenti
Leonard A. Phillips

Report of the Finance Committee for 2016

There are both positive and negative items to report upon. We shall report upon both but this report will focus on the largest future potential impacts.

We are pleased to report that the current financial strength of the Acton Water District remains strong. Standard & Poor's ratings service rate the District's bond debt at AA+. This is in good part due to our imposition of a bond debt fee and the rate increases we put in place last year.

We have two trust funds (W.R. Grace Fund) – balance at 6/30/16 was \$2,424,932 and Other Post Employment Benefits (OPEB) trust fund – the balance at 6/30/16 was \$664,218. We are funding the OPEB fund at approximately \$100,000 per year and are paying the health care insurance premiums for currently retired employees. We currently estimate that this “reverse double dip” should allow us to have the OPEB trust fully funded actuarially within five years. We have a free cash balance of approximately \$1.6 million.

Despite our current strong financial position, there are several currently unquantifiable unknowns which will or possibly could have a significant financial impact upon the District. These are listed in our estimate of their current impact:

- The prolonged drought we currently are enduring, and the Commonwealth of Massachusetts's declaration of a drought emergency. The timing of this declaration was such that it did not have significant impact on Q3 & Q4 revenues, but this may impact future revenues as people will not be able to commence lawn irrigation in the spring and continue through the summer as they normally do. This winter's snowfall and water content of that snowfall will be a major factor in determining whether the drought emergency declaration is continued or not.
- Potential pollution of the Assabet well field and its impact on the South Acton Water Treatment Plant. It is too early to tell what the impact would be (please see the Environmental Manager's report) but the impact could be very significant.
- The impact of pension costs on the District. The District is required to be part of the Middlesex County Retirement System. This system is currently significantly actuarially underfunded (it is at about 50% of what is actually required) and uses (in our estimate) an unrealistic estimated future rate of return. This will have an impact on the future finances of the AWD but it is impossible to measure the impact and timing of this event.
- A dispute with the Town of Concord over access to the availability of water from Nagog Pond. It is still too early to determine what the potential outcomes or any potential future costs are.

The last item we would like to report on is the inability of our state legislature to reach a reasonable position on the investment of trust funds. As you are aware, we have two trust funds (W.R. Grace and OPEB). The OPEB trust fund is managed under the prudent person laws and regulations, whereas the W.R. Grace Fund is managed under the “legal list” which is an anachronism dating back to approximately the 19th century. Continued management under the legal list (because of the limitations inherent in the list) could extinguish the W.R. Grace fund before the pollution it was designed to ameliorate is completely eradicated. Your finance committee is working with our local legislators to have this position changed to allow management under prudent person laws. We feel that we have made some progress in educating key members of various committees but have not been able to get a bill to the Governor's desk for signature.

We would like to thank the Commissioners and the employees of the Acton Water District for their cooperation and assistance during the last year.

Respectfully submitted,

David A. Butler, Chairman
Charles Bradley, Member
William Guthlein, Member
William Mullin, Associate Member

Report of the District Manager 2016

2016 was a transitional year for us. After completing the construction of the recently commissioned South Acton Water Treatment Plant, it was time to regroup and contemplate a future with many uncertainties as we prepare to update our five year Master Plan. The challenges of aging and failing infrastructure did not take the year off, unfortunately. A planned infrastructure improvement in Indian Village had to be postponed. Planning for future regulatory compliance with ever-increasing requirements being placed on Public Water Suppliers in the Commonwealth were in focus. A request for technical assistance by the Town of Acton Board of Selectmen relating to the Town of Concord's Site Plan Special Permit application to construct a new filtration plant at Nagog Pond in Acton put that source in the spotlight as it relates to the regional supply of water, and the inter-town relationship.

This past year there was a planned water main improvement on Agawam, Mohegan, Sioux, Quaboag, and Freedom Farm, among others. For the first time in District history, we were going to employ a technology called Cure in Place Pipe (CIPP), or re-lining of the existing pipe in place. CIPP is completely structural and when cured, replaces the host pipe removing it from service and extending the lifespan by 50 years. This technology was chosen due to minimal neighborhood impact and expediency of project completion. It only requires the excavation of a launching and a retrieval pit; each approximately 10' x 6', minimizing any traffic disruptions. Some administrative issues with the bidding process caused delays that required the project to be postponed. Currently, our plan is to re-bid the project in the spring of 2017, and hopefully completes the rehabilitation in the summer of 2017.

As most customers are aware, the District has had historical challenges with water quality; primarily, discoloration due to the impacts of naturally occurring iron and manganese. Being a 100% groundwater system, these minerals are present in the geological formations surrounding our 22 wells. We've now constructed two full-scale filtration plants in North Acton and South Acton. The open house at South Acton plant this past spring was a great success, and we'd like to thank the citizens that came out on a cold, windy spring day to learn about that facility. The plant is operating very well, and the resulting improvement in water quality is evidence of such. The future will see us constructing two more plants in West Acton and Acton Center for our sources in those areas of town to maintain regulatory compliance with the Safe Drinking Water Act.

Late in 2015, the Town of Concord submitted a Site Plan Special Permit application to construct a new filtration plant to replace its existing ozone facility at Nagog Pond behind the Quail Ridge development in Acton. Several continuances of the public hearing process, a few different generations of the design, and a multitude of public comments have carried the process through the entire year. The District was consulted by the Board of Selectmen to provide technical assistance with the proposal. While we are not ready to activate Nagog Pond as a source for the District, we firmly understand the importance of the pond as a regional water source and the community impacts of the proposal. We will maintain our right to withdraw water from Nagog Pond per the 1884 statute, and, in concert with Town of Acton officials, will continue to work with Concord in a neighborly fashion to ensure that Acton's and Concord's best interests are addressed.

I would like to thank the Board of Water Commissioners, Finance Committee, all elected and appointed officials and volunteers for their wisdom, guidance, dedication and commitment to the District and citizens of Acton. Last, but not least, I would like to wholeheartedly thank the staff of the District for their dedication and daily high level of effort.

Respectfully submitted,

Chris Allen

Report of the Environmental Manager for 2016

Environmental Compliance

We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA), including the implementation of the Revised Total Coliform Rule and the second round of monitoring under the Long Term 2 Surface Water Treatment Rule. Additional sampling was completed to better improve the quality of your drinking water. Lead and Copper testing was completed throughout our distribution system and at the public school buildings. In anticipation of this sampling, enhanced corrosion control was reinstated at the Clapp/Whitcomb treatment plant. Sampling results have reflected an effective approach to reducing and eliminating exposures created by plumbing systems.

Water Conservation

In 2016, we approved conservation rebates resulting in 9 washing machines and 43 toilets being replaced with more water efficient models. Customers also received 30 subsidized rainbarrels through our partnership with the Great American Rainbarrel Company. The District continued to partner with the EPA WaterSense program and the Alliance for Water Efficiency (AWE) to provide tools for our customers to make better water use decisions. I continued my work as the Chair of the New England Water Works Association (NEWWA) Conservation Committee. Drought conditions persisted for most of 2016 and the efforts shown by our customers to conserve water were greatly appreciated. We also received a grant from the Massachusetts Department of Environmental Protection (MassDEP) to perform a third party audit of our water use. This helps us to determine if real or paper losses are occurring between when the water is treated and when it reaches our customers. In conjunction with our pending Water Management Act permit renewal, a mitigation fee for new development and redevelopment projects was initiated in order to reduce the financial impact of increasing our water use and complying with the permit.

Source Water Protection

This was another busy year for source protection activities. I participated on the Town of Acton Open Space Committee and Water Resources Advisory Committee. We continued our participation in technical meetings and review of documents related to the ongoing Acton-W.R. Grace site cleanup process. Further investigations and negotiations relative to the Nuclear Metals, Inc. (NMI) Superfund Site in Concord were done to delineate the contaminants, better understand the complex hydrogeology in this area, and identify ways to cut off the plume through pumping. We worked with MassDEP and our consultants to further understand treatment needs and the potential risk associated with 1,4-dioxane. We created a page on our website to consolidate some of the 1,4-dioxane information, including updated results. Efforts to monitor activities along Knox Trail that may impact water quality continued, including the Town of Concord's bus depot and other businesses in the area. In conjunction with the Town of Acton, we provided technical assistance relative to Nagog Pond and the possible impacts of Concord's proposed treatment facility.

Education and Outreach Programs

We taught close to 250 Acton students involved in water-related curriculum. This ranged from 4th and 5th grade classroom visits to field trips for the high school Environmental Science class. We also worked directly with Cub Scout packs and the Acton Recreation Department. The celebration of Drinking Water week culminated in an open house at the South Acton Water Treatment Plant (SAWTP) with well over 100 participants! Additionally we hosted over 100 water operators and engineers at the SAWTP as part of the NEWWA Spring Conference. This year our communications efforts took a leap forward with the rollout of the WaterSmart Software program. Our adoption of this technology allows us to communicate directly with customers regarding water use and other important topics.

Respectfully submitted,

Matthew Mostoller

Report of the M.I.S. Coordinator for 2016

This document summarizes the main achievements of the Management Information Systems Coordinator. I continue to support, program and implement all mission critical applications.

Software/Hardware/Technology

2016 has brought many changes to the Acton Water District, I will highlight just a few. A separate local area network was built to harden the security of our infrastructure, with this done in-house it saved the District thousands of dollars and allowed me to get familiar with new technology such as terminating fiber optic lines. We have built in communication redundancy to some of our treatment plants and have been talking with Verizon to install cellular redundancy in all treatment plants. Our voicemail system was upgraded. The aging server and switches were becoming unreliable and Avaya costs have come way down.

Did you know that we utilize the ConnectCTY system to contact our customers in an emergency or for general outreach? If you have not registered your phone number with this system, we strongly encourage you to visit our website and follow the links to register. In 2016, 13 important messages were delivered using the ConnectCTY system. The more information you provide us, the more informed we can keep you. Please take the time to review the phone number and email listed on your quarterly bill and update us with any needed changes. We also reach out to our customers via Twitter, please follow us @ActonWater.

Cross Connection Control Program

A cross connection is any actual or potential connection between a distribution pipe of potable water supplied by the public water system and any waste pipe, soil pipe, sewer, drain or other unapproved source. If not properly protected or eliminated, a cross connection can cause health problems and spread disease. There are two methods by which contamination can enter the drinking water from cross connections, backpressure and backsiphonage. Backpressure occurs when the pressure in the property exceeds the drinking water pressure. Backsiphonage occurs when the drinking water pressure drops off and a vacuum pulls the water from a building. The property owner is responsible for the elimination or protection of all cross-connections on their premises. The District routinely surveys and tests all non-residential properties. Residential owners are required to have backflow protection on their irrigation systems as well as any other possible cross connections. All services are installed with a dual check backflow preventer at the meter.

Meters and Billing

We have partnered with a company called WaterSmart Software to provide improved water use information, timely leak alerts and online bill viewing. Customers with the Orion reading technology will be able to see their readings on a monthly cycle, unfortunately for customers that have not upgraded, you will not be able to take advantage of many benefits WaterSmart has to offer. To date we have outfitted 6071 meters with the newest Orion reading technology transponders, with 600 left to be retrofitted. We have focused our replacement efforts into specific areas of town to minimize travel and gas expense. If you receive a letter requesting an appointment for this free service, please call us immediately. In 2016 the Orion system detected more than 2,000 potential leaks. We are also requesting appointments to change out our older casings, if you had your electronics replaced recently, we may be asking for another appointment in the near future to replace the bronze meter body.

Respectfully submitted,

Robert Murch

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

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Independent Auditor's Report

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Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the aggregate remaining fund information of the Water Supply District of Acton, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Water Supply District of Acton, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management's Discussion and Analysis

As Management of The Water Supply District of Acton, we offer readers of the Water Supply District of Acton's financial statements this narrative overview and analysis of financial activities for the year ended June 30, 2016. The District complies with Governmental Accounting Standards Board (GASB) reporting requirements.

Financial Highlights

The assets and deferred outflows of the Water Supply District of Acton exceeded its liabilities and deferred inflows at the close of the fiscal year by \$21,616,856 (net position). Unrestricted net position at year end is currently a deficit of (\$644,839), primarily due to the District having recognized the Net Pension Liability in full as of June 30, 2015.

The total assets of the District are \$43,976,303. Of this amount, \$4,237,073 represents current assets and \$39,739,231 represents capital assets.

The total liabilities of the District are \$22,487,026. Of this amount, \$1,306,982 represents current liabilities and \$21,180,044 represents long term liabilities.

Total net position of the District is \$21,616,856. This includes \$21,100,810 invested in capital assets, net of related debt, \$1,160,885 which is restricted for capital projects and (\$644,839) which is unrestricted.

During the fiscal year ended June 30, 2015, the District reported the total Net Pension Liability of \$2,562,079, as required by GASB Statement #68. The Net Pension Liability is \$2,784,648 as of June 30, 2016. The District incurred a current period expense for the unfunded actuarial liability of \$269,434, as well as deferred inflows and outflows of resources in the amounts of \$39,208 and \$166,786, respectively.

During the fiscal year ended June 30, 2016, the District updated the actuarial valuation for Other Post Employment Benefits (OPEB), as required by GASB Statement #45. The District reported a current period negative expense for the unfunded actuarial liability of (\$39,570) in addition to funding \$100,000. The current OPEB Liability is \$677,958.

Overview of Financial Statements

The Water Supply District of Acton's financial statements are comprised of the following: Government Wide Financial Statement, Fiduciary Fund Financial Statement, Governmental Funds Financial Statement, Reconciliations of the Financial Statements and a Comparison of Actual to Budget. These statements provide different views of the District. One includes assets and liabilities of the District and the other focuses on the governmental funds.

The District adopts an annual appropriated budget for its government wide activities. A budgetary comparison has been included. Actual revenues for the year were greater than budgeted revenues by \$999,761. Actual expenditures were less than budgeted expenditures by \$375,316.

The Fiduciary Fund Financial Statements contain revenues and expenses relating to the W.R. Grace Fund, restricted funds which can only be used for expenditures relating to improving water quality, and the OPEB Trust Fund, restricted funds which can only be used to fund the District's OPEB obligations.

Comparison of current year to prior year (Governmental Funds)

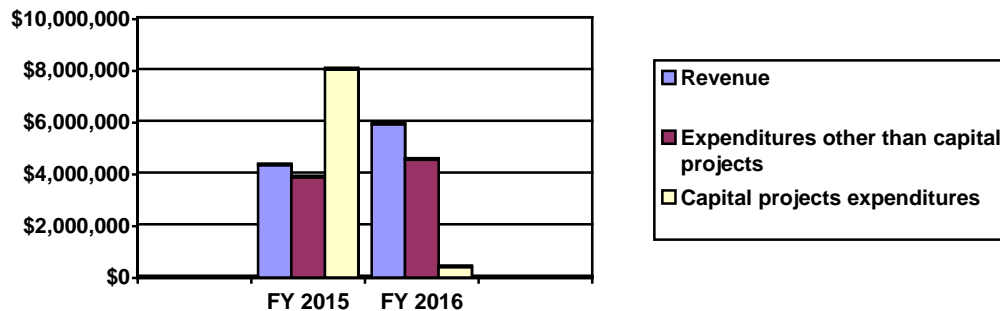
The total revenue for the District was \$5,939,261. Income for the Water Supply District of Acton is generated from water rates, installation of new services and investment income. Income from water rates and services was \$1,584,972 greater than last year. Investment income was \$1,036 more than last year.

Total expenditures for the year amounted to \$4,973,935. This includes the expenditure of \$409,751 for capital projects. Expenditures for the current fiscal year decreased from the previous fiscal year by \$6,962,552. Year 2015 expenditures included construction of the South Acton Water Treatment Plant.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was \$1,603,793. This represents an increase of \$425,614. It is likely that the District will appropriate a portion of this to fund the abatement of groundwater pollution in South Acton.

At the close of the fiscal year there was a balance of \$1,160,885 restricted for capital projects. This represents an increase of \$568,942 from the previous fiscal year.

Below is a graph comparing revenues and expenditures for fiscal years 2015 versus 2016.



Capital Assets

The Water Supply District of Acton's investment in capital assets as of June 30, 2016 amounts to \$39,739,231 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment.

Property and equipment is depreciated utilizing the straight line depreciation method and estimated useful lives as recommended by the Commonwealth of Massachusetts Department of Revenue Bureau of Accounts. The depreciation expense for this fiscal year was \$1,223,142.

Capital Assets are replaced following a replacement schedule prepared by the District. This schedule is updated every five years.

Fiscal Year 2017

The District has appropriated a balanced annual budget for FY 2017 of \$4,950,625.

WATER SUPPLY DISTRICT OF ACTON				Page 4
Statement of Net Position				
June 30, 2016		<i>Capital</i>	<i>Invested in</i>	
	<i>Unrestricted</i>	<i>Projects</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Assets</i>	<i>Total</i>
ASSETS				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$2,764,679			\$2,764,679
Due to Capital Projects Fund	(1,160,885)	\$1,160,885		0
Accounts Receivable	128,394			128,394
Unbilled Accounts Receivable	1,344,000			1,344,000
Total Current Assets	3,076,188	1,160,885	\$0	4,237,073
<i>Non Current Assets</i>				
Capital Assets				
Land			1,566,515	1,566,515
Depreciable Capital Assets, net			38,172,716	38,172,716
Total Non Current Assets	0	0	39,739,231	39,739,231
Total Assets	3,076,188	1,160,885	39,739,231	43,976,303
DEFERRED OUTFLOW OF RESOURCES				
Pension	166,786			166,786
LIABILITIES				
<i>Current Liabilities</i>				
Bonds Payable			1,071,749	1,071,749
Notes Payable			29,233	29,233
Accrued Interest Payable	206,000			206,000
Total Current Liabilities	206,000	0	1,100,982	1,306,982
<i>Non Current Liabilities</i>				
Bonds Payable			17,537,439	17,537,439
Accrued Compensated Absences	180,000			180,000
Other Post Employment Benefits	677,958			677,958
Net Pension Liability	2,784,648			2,784,648
Total Non Current Liabilities	3,642,605		17,537,439	21,180,044
Total Liabilities	3,848,605	0	18,638,421	22,487,026
DEFERRED INFLOW OF RESOURCES				
Pension	39,208			39,208
NET POSITION				
Unrestricted	(644,839)			(644,839)
Restricted for Capital Projects		1,160,885		1,160,885
Net Investment in Capital Assets			21,100,810	21,100,810
Total Net Position	(\$644,839)	\$1,160,885	\$21,100,810	\$21,616,856
SEE NOTES TO THE BASIC FINANCIAL STATEMENTS				

WATER SUPPLY DISTRICT OF ACTON				Page 5
Statement of Activities		<i>Capital</i>	<i>Invested in</i>	
For the Year Ended June 30, 2016	<i>Unrestricted</i>	<i>Projects</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Assets</i>	<i>Total</i>
REVENUES				
Water Rates and Services	\$5,951,458			\$5,951,458
Interest Income	5,308	\$0		5,308
Total Revenues	5,956,766	0	\$0	5,956,766
EXPENDITURES				
Salaries and Wages	1,211,990			1,211,990
Other Post Employment Benefits Expense	(39,570)			(39,570)
Interest and Fees	486,233		(11,189)	475,044
Depreciation Expense			1,223,142	1,223,142
Lights, Power and Fuel	273,487			273,487
Health and Life Insurance	289,314			289,314
Maintenance & Operations	237,373			237,373
Middlesex Retirement	269,434			269,434
South Acton WTP M&O	150,000			150,000
Insurance	69,784			69,784
Auto Maintenance and Fuel	42,362			42,362
Chemicals	64,967			64,967
Legal	65,000			65,000
Laboratory Analysis	32,000			32,000
Education	13,744			13,744
Accounting	2,000			2,000
Audit	15,000			15,000
Computer Maintenance	13,358			13,358
Information Reports	4,239			4,239
Office Supplies	18,000			18,000
Paving	44,831			44,831
Engineering	49,935			49,935
Postage	16,414			16,414
Telephone	16,889			16,889
D.E.P. Withdrawal and Fees	5,212			5,212
Petty Cash	600			600
Hydrants	9,975			9,975
Backflow/Cross Connection	779			779
Total Expenditures	3,363,351	0	1,211,953	4,575,304
REVENUES OVER (UNDER) EXPENDITURES	2,593,415	0	(1,211,953)	1,381,462
Bond Proceeds Received		29,233	(29,233)	0
Capital Project Expenditures		(409,751)	409,751	0
Transfers from Unrestricted to Capital Projects	(949,463)	949,463		0
Transfers from Capital Projects to Grace		(3)		(3)
Bonds Repaid	(1,059,906)		1,059,906	0
Expenditures Capitalized	(100,000)		100,000	0
Change in Net Position	484,046	568,942	328,471	1,381,459
Net Position - Beginning of Year	(1,128,885)	591,943	20,772,339	20,235,397
Net Position - End of Year	(\$644,839)	\$1,160,885	\$21,100,810	\$21,616,856

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS

WATER SUPPLY DISTRICT OF ACTON			Page 7
Governmental Funds - Statement of Revenues, Expenditures and			
Changes in Fund Balances		<i>Capital</i>	<i>Total</i>
For the Year Ended June 30, 2016	<i>General</i>	<i>Projects</i>	<i>Governmental</i>
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>
<i>REVENUES</i>			
Water Rates and Services	\$5,933,953		\$5,933,953
Interest Income	5,308		5,308
Total Revenues	5,939,261		5,939,261
<i>EXPENDITURES</i>			
Salaries and Wages	1,199,990		1,199,990
Other Post Employment Benefits Expense	100,000		100,000
Capital Project Expenditures		\$409,751	409,751
Bonds Interest and Fees	1,563,139		1,563,139
Lights, Power and Fuel	273,487		273,487
Health and Life Insurance	289,314		289,314
Maintenance & Operations	237,373		237,373
Middlesex Retirement	165,791		165,791
South Acton WTP M&O	150,000		150,000
Meters	100,000		100,000
Insurance	69,784		69,784
Chemicals	64,967		64,967
Auto Maintenance and Fuel	42,362		42,362
Legal	65,000		65,000
Laboratory Analysis	32,000		32,000
Information Reports	4,239		4,239
Office Supplies	18,000		18,000
Accounting	2,000		2,000
Audit	15,000		15,000
Education	13,744		13,744
Paving	44,831		44,831
Engineering	49,935		49,935
Postage	16,414		16,414
Telephone	16,889		16,889
D.E.P. Withdrawal and Fees	5,212		5,212
Computer Maintenance	13,358		13,358
Hydrants	9,975		9,975
Petty Cash	600		600
Backflow/Cross Connection	779		779
Total Expenditures	4,564,184	409,751	4,973,935
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	1,375,077	(409,751)	965,326
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers from General Fund to Capital Projects & Grace	(949,463)	949,460	(3)
Note Payable Proceeds Received		29,233	29,233
Net Change in Fund Balances	425,614	568,942	994,556
Fund Balances - Beginning of Year	1,178,179	591,943	1,770,122
Fund Balances - End of Year	\$1,603,793	\$1,160,885	\$2,764,678
SEE NOTES TO THE BASIC FINANCIAL STATEMENTS			

WATER SUPPLY DISTRICT OF ACTON		Page 8
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position - June 30, 2016		
Total Governmental Fund Balances		\$2,764,678
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the Governmental Funds.		39,739,231
The Statement of Net Position includes accounts receivable, whereas in the Governmental Funds, revenue is not reported until collected.		
Accounts Receivable		128,394
Unbilled Accounts Receivable		1,344,000
The Statement of Net Positions includes certain liabilities that are not included in the Governmental Funds until paid.		
Bonds, Notes and Accrued Interest Payable		(18,844,421)
Accrued Compensated Absences		(180,000)
Other Post Employment Benefits Liability		(677,958)
Net Pension Liability and Deferred Inflows and Outflows		(2,657,070)
Net Position of Governmental Activities		\$21,616,856
WATER SUPPLY DISTRICT OF ACTON		
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2016		
Net Change in Fund Balances - Total Governmental Funds		\$994,556
Governmental funds report capital outlays and bond repayments as expenditures. However in the Statement of Activities, the costs are allocated over the estimated useful lives and is depreciated.		
Capital Expenditures		409,751
Expenditures Capitalized		100,000
Note Payable Proceeds		(29,233)
Bond Principal Repayment		1,059,906
Depreciation Expense		(1,223,142)
Some revenue/expenses reported in the Statement of Activities do not provide (use) current financial resources and therefore are not reported as revenue in the Governmental Funds.		
Water Revenue Accrual		17,504
Other Post Employment Benefits (OPEB) Expense		139,570
Bond Premium Amortization		11,189
Interest Accrual		17,000
Compensated Absences Reported as Salaries and Wages		(12,000)
Retirement Accrual		(103,643)
Change in Net Position of Governmental Activities		\$1,381,459
SEE NOTES TO THE BASIC FINANCIAL STATEMENTS		

WATER SUPPLY DISTRICT OF ACTON			Page 9
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2016			
			<i>Variance</i>
			<i>Positive</i>
	<i>Budget</i>	<i>Actual</i>	<i>(Negative)</i>
<i>REVENUES</i>			
Water Rates and Services	\$4,939,500	\$5,933,953	\$994,453
Interest Income	0	5,308	5,308
Total Revenues	4,939,500	5,939,261	999,761
<i>EXPENDITURES</i>			
Salaries and Wages	1,250,000	1,199,990	50,010
Bonds, Interest and Fees	1,665,000	1,563,139	101,861
Lights, Power and Fuel	350,000	273,487	76,513
Health and Life Insurance	325,000	289,314	35,686
Maintenance & Operations	210,000	237,373	(27,373)
Middlesex Retirement	167,500	165,791	1,709
Insurance	90,000	69,784	20,216
Chemicals	65,000	64,967	33
Reserve Fund	100,000	0	100,000
South Acton WTP M&O	150,000	150,000	0
Laboratory Analysis	32,000	32,000	0
Auto Maintenance and Fuel	50,000	42,362	7,638
Information Reports	12,000	4,239	7,761
Telephone	18,000	16,889	1,111
Legal	40,000	65,000	(25,000)
Computer Maintenance	15,000	13,358	1,642
Office Supplies	18,000	18,000	0
Education	18,000	13,744	4,256
Audit	15,000	15,000	0
Paving	60,000	44,831	15,169
Engineering	50,000	49,935	65
Hydrants	10,000	9,975	25
Postage	18,000	16,414	1,586
D.E.P. Withdrawal and Fees	6,500	5,212	1,288
Bank Fees	500	0	500
Cross Connection	1,000	779	221
Accounting	2,000	2,000	0
Meters	100,000	100,000	0
Petty Cash	1,000	600	400
OPEB Expense	100,000	100,000	0
Total Expenditures	4,939,500	4,564,184	375,316
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	0	1,375,077	1,375,077
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers from General to Capital Projects Fund		(949,463)	(949,463)
Net Change in Fund Balance	0	425,614	425,614
Budgetary Fund Balance - Beginning of Year	1,178,179	1,178,179	0
Budgetary Fund Balance - End of Year	\$1,178,179	\$1,603,793	\$425,614
SEE NOTES TO THE BASIC FINANCIAL STATEMENTS			

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Water Supply District of Acton (the District) is a municipality incorporated in the Commonwealth of Massachusetts with the purpose of providing water and related services to the residents and businesses of Acton. The District is a separate municipality, distinct from the Town of Acton. There are no component units included within the reporting entity. The basic operations of the District are financed by water rate and services charges. The District's financial statements include the accounts of all District operations. Inhabitants of the Town of Acton who are qualified to vote in elections and town affairs are eligible to vote on matters concerning the District and to act on articles of the District.

Summary of Significant Accounting Policies - The following significant accounting policies were applied in the preparation of the accompanying financial statements:

Basis of Accounting and Presentation - The District reports its financial statements in accordance with both the Governmental Accounting Standards Board requirements (accrual basis) and with the Commonwealth of Massachusetts uniform reporting system (cash basis). The financial statements include reconciliations that identify the differences between the accrual basis and cash basis financial statements.

The two reporting standards are briefly described here.

GOVERNMENT WIDE FINANCIAL STATEMENTS - This financial model includes the presentation of Management's Discussion and Analysis as well as Government Wide financial statements that are prepared on the accrual method of accounting. Revenues are reported when earned and expenses are reported when incurred, regardless of when payments are either received or made. The accrual basis financial statements report capital assets and the related depreciation expense and accumulated depreciation. All liabilities are reported, including compensated absences, short and long term debt, net pension liability and other post employment benefits liability. The net positions of the District are reported in three components: invested in capital assets net of related debt, restricted for capital projects, and unrestricted.

GOVERNMENTAL FUNDS – This financial model presents the District's governmental funds. Under this method, revenues are recorded when received and expenditures are recorded when they are paid. Accounts receivable are fully reserved until they are collected and recorded as income.

Capital assets and infrastructure are not recorded in the governmental funds. Funds used to acquire capital assets are accounted for as expenditures in the Capital Projects Fund in the fiscal year payment is made. Appropriation balances of capital projects are carried forward in the Capital Projects Fund until completion of the project or until unexpended balances are transferred to the General Fund by approval of the Annual Meeting. The governmental funds report the unreserved fund balance, commonly referred to as Free Cash.

Budgets and Budgetary Accounting - The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. Appropriations for the Capital Projects Fund and the W.R. Grace Fiduciary Fund are also approved at the Annual Meeting. Any budget overrides or additional appropriations must be approved at a specially called District Meeting.

Capital Assets - Capital assets, which include land, infrastructure, buildings, vehicles, machinery and equipment, are reported in the Government Wide financial statements at historical cost or estimated historical cost. Depreciation is provided using the straight-line method over the estimated useful lives recommended by the Massachusetts Department of Revenue, Division of Local Services, Bureau of Accounts.

Compensated Absences - The District has a policy of buying back 50% of a retiring employee's unused sick time, up to a maximum of 85 days sick time.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 1 – GENERAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES - continued

District Funds - The District categorizes its funds into governmental and fiduciary funds.

The following *governmental funds* are reported:

Unrestricted Fund - This primary operating fund is used for financial resources other than those that are required to be accounted for in another fund.

Restricted Capital Projects Fund - This fund reports the activity for the appropriations and spending for construction projects or for acquiring assets.

Invested in Capital Assets Fund: - This fund reports the historical cost of fixed assets less accumulated depreciation.

The following *fiduciary funds* are reported:

W.R. Grace Fund - This fund is to maintain the purity of the District's water sources upon approval of District meeting. This fund was established with proceeds from the W.R. Grace lawsuit settlement.

Other Post Employment Benefits (OPEB) Fund – This fund is an irrevocable trust fund established by the District in 2011 pursuant to Massachusetts General Laws. The fund can only be used to fund the District's OPEB obligations.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District considers all highly liquid investments with a maturity date of less than one year to be cash equivalents. The District maintains some of its cash in an investment account that is not insured. The District has not experienced any loss in that account. The District believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 3 - INVESTMENTS

The District's investments are managed pursuant to Massachusetts General Laws by Boston Financial Management with the guideline that there is low risk to principal while providing a continuing revenue stream. The investments are carried at fair value. As of June 30, 2016, the District had the following investments:

Description	W.R. Grace Fiduciary Fund	OPEB Trust Fiduciary Fund
Cash and equivalents	\$49,456	\$24,950
Bonds (corporate & government)	1,320,076	93,013
Equities	1,047,633	94,954
Other		451,301
Total	\$2,417,165	\$664,217

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

As of June 30, 2016, the General Fund owed \$1,160,885 to the Capital Projects Fund.

NOTE 5 - RETIREMENT PLANS

Substantially all employees of the District are members of the Middlesex Retirement System. The retirement system is funded by both employer and employee contributions. The District's annual contributions to the retirement system are calculated to pay current normal cost as well as unfunded actuarially calculated liabilities from prior years. In addition, employees contribute 5 to 11% of their base pay depending on when they entered the system. The District's contributions for the year ended June 30, 2016 were \$165,791.

The District has a voluntary Section 457 retirement plan. Employees may make pre-tax contributions up to the amount allowed by the Internal Revenue Code, and the District matches contributions up to 3% of the participating employee's base salary. District match contributions for the year ended June 30, 2016 were \$28,078 which is included in Salaries and Wages.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2016 consisted of the following:

Description	Balance 6/30/15	Additions	Disposals	Balance 6/30/16
Land	\$1,566,515			\$1,566,515
Infrastructure	53,277,730	\$343,248		53,620,978
Buildings	1,154,213			1,154,213
Vehicles	592,330	66,503	(\$24,735)	634,098
Machinery & Equipment	2,735,290	100,000		2,835,290
Total at Historical Cost	59,326,078			59,811,094
Less Accumulated Depreciation	18,873,456	1,223,142	(\$24,735)	20,071,863
Capital Assets, Net	\$40,452,622			\$39,739,231

NOTE 7 - NOTES PAYABLE

The District has utilized short term debt to finance engineering costs at the South Acton Water Treatment Plant. The following is a summary of the changes in Notes Payable for the year ended June 30, 2016:

Description	Interest Rate	Due Date	Balance 6/30/15	Issued	(Retired)	Balance 6/30/16
South Acton WTP Engineering	.11%	12/31/16	\$0	\$29,233	\$0	\$29,233

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 8 – BONDS PAYABLE

The District has general obligation bonds to finance the construction of the North Acton Water Treatment Plant, the South Acton Water Treatment Plant and water mains and land purchased. The following is a summary of the changes in Bonds Payable for the year ended June 30, 2016:

Description	Interest Rate	Issue Date	Due Date	Balance 6/30/15	(Paid Down) (or Amortized)	Balance 6/30/16
North Acton Water Treatment Plant	2.0% to 4.3%	2/15/09	2/15/29	\$4,200,000	(\$300,000)	\$3,900,000
South Acton WTP, Water Mains and Land	2.0% to 3.0%	8/15/13	8/15/23	1,920,000	(215,000)	1,705,000
South Acton Water Treatment Plant	2.0%	1/7/15	1/7/35	13,470,767	(544,906)	12,925,861
Subtotal				19,590,767		18,530,861
Bond Premium		8/15/13	8/15/23	89,516	(11,189)	78,327
Total Bonds Payable				\$19,680,283		\$18,609,188

The annual debt service requirements for Bonds Payable outstanding at June 30, 2016 are as follows:

Fiscal Years	Principal	Interest	Total
2017	\$1,071,749	\$470,131	\$1,541,880
2018	1,083,849	443,461	1,527,310
2019	1,096,212	415,781	1,511,993
2020	1,108,844	387,835	1,496,679
2021	1,121,750	359,017	1,480,767
2022-2026	5,367,382	1,342,169	6,709,551
2027-2031	4,504,810	688,236	5,193,046
2032-2035	3,176,265	138,414	3,314,679
Total	\$18,530,861	\$4,245,044	\$22,775,905

Principal of \$1,059,906 plus interest and fees of \$503,233 for a total of \$1,563,139 is reported as Bonds, Interest and Fees on the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended June 30, 2016.

Interest and Fees of \$486,233 less amortization of bond premium of \$11,189 for a total of \$475,044 is reported on the Statement of Activities to reflect the accrual basis calculation of interest incurred during the year ended June 30, 2016, regardless of when the actual interest payments were made by the District.

As of June 30, 2016 the District has the following debt authorized and unissued:

Purpose	Date Authorized	Amount Authorized	Previously Issued	Date Rescinded	Amount Rescinded	Authorized & Unissued
Water Mains	3/20/2002	\$1,500,000	\$1,300,000	3/16/2016	\$200,000	\$0
Treatment Plant	3/19/2008	1,700,000	1,500,000	3/16/2016	200,000	0
Water Mains	3/19/2008	1,200,000	860,000	3/16/2016	340,000	0
Water Mains	3/18/2009	600,000	200,000	3/16/2016	400,000	0
Water Mains	3/16/2016	1,000,000				1,000,000
Total		\$6,000,000	\$3,860,000		\$1,140,000	\$1,000,000

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 9 – COMMITMENTS & CONTINGENCIES

The District has ongoing commitments for the construction of capital projects. The District has engaged additional legal counsel to provide environmental law services to protect the Assabet well field and to represent the District in negotiations with the Massachusetts Department of Environmental Protection and the Federal Environmental Protection Agency regarding the Superfund cleanup project.

NOTE 10 – PENSION PLAN

Plan Description – The District contributes to the Middlesex County Retirement System (“the System”), a cost-sharing multiple-employer defined benefit pension plan administered by the Middlesex Retirement Board (“the Board”). Substantially all employees are members of the System. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Commonwealth of Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law adjustments granted after 1997 must be approved by the Board and are borne by the System. The System issued an audited financial statement for the year ended December 31, 2015. That report may be obtained by contacting the System at 25 Linnell Circle, Billerica, MA 01821.

Funding Policy – Plan members are required to contribute to the System at rates ranging from 5% to 11% of gross regular compensation. The District is required to pay into the System its share of the system-wide actuarially determined contribution that is apportioned among the employers based on active current payroll. The contributions of plan members and the District are governed by Chapter 32 of the Commonwealth of Massachusetts General Laws. The District’s contribution to the System for the year ended June 30, 2016 was \$165,791, which equaled its required contribution.

At June 30, 2016, the District reported a liability of \$2,784,648 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2015, the District’s proportionate share was 0.215861%.

For the year ended June 30, 2016, the District recognized a pension expense of \$269,434. At June 30, 2016, the District reported the following deferred outflows and inflows of resources related to pensions:

Deferred Outflows of Resources– net difference between projected and actual investment earnings on pension plan investments	\$141,996
Deferred Outflows of Resources- changes in proportion and differences between employer contributions and proportionate share of contributions	24,790
Deferred Inflows of Resources– changes proportion and differences between employer contributions and proportionate share of contributions	(39,208)
Net Deferred Outflows and Inflows of Resources	\$127,578

The deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,		
	2017	\$32,442
	2018	32,442
	2019	32,442
	2020	30,252
Total		\$127,578

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 10 – PENSION PLAN– continued

Actuarial Assumptions – The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement updated to December 31, 2014:

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Prior year's total contribution increased by 6.5% for fiscal 2016 through fiscal 2020, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; Early Retirement Incentive (ERI) liability amortized in level payments.
Remaining amortization period	As of July 1, 2014, six years remained for 2003 ERI liability, and 21 years remained for remaining unfunded liability.
Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted as necessary to be within 20% of the market value.
Inflation rate	4.00%
Projected salary increases	Varies by length of service with ultimate rate of 4.25% for Group 1
Cost of living adjustments	3.00% of first \$14,000 of retirement income
Rates of retirement	Varies based upon age
Rates of disability	It is assumed that 45% of all disabilities are ordinary, and 55% of all disabilities are service connected.
Mortality rate pre-retirement	RP-2000 Employee Mortality Table projected 22 years with Scale AA
Mortality rate healthy retiree	RP-2000 Employee Annuitant Mortality Table projected 17 years with Scale AA
Disabled retiree	RP-2000 Employee Annuitant Mortality Table set forward 3 years projected 17 years with Scale AA
Investment rate of return/ Discount rate	7.875%, net of pension plan investment expense, including inflation

Investment policy – The pension plan's policy in regard to the allocation of invested assets is established by Pension Reserve Investment Trust. Plan assets are managed on a total return basis with long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return	Long Term Expected Asset Allocation
Domestic equity	6.49%	19.60%
International developed markets equity	7.16%	15.60%
International emerging markets equity	9.46%	6.50%
Core fixed income	1.68%	15.30%
High-yield fixed income	4.76%	8.30%
Real estate	4.37%	9.90%
Commodities	4.13%	3.90%
Short-term government money market	1.11%	0.00%
Hedge fund, GTAA, Risk parity	3.60%	9.80%
Private equity	11.04%	11.10%

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 10 – PENSION PLAN– continued

Discount rate – The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contributions rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability as of June 30, 2016, calculated using the discount rate of 7.875%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.875%) or 1% higher (8.875%) than the current rate:

	1% Decrease to 6.875%	Current Discount 7.875%	1% Increase to 8.875%
The District’s proportionate share of the net pension liability	\$3,343,837	\$2,764,648	\$2,308,460

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Middlesex County Retirement System financial report.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The District implemented Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45) starting in the fiscal year ended June 30, 2010. As allowed by GASB 45, the District has established the net Other Post Employment Benefits (OPEB) obligation at zero at the beginning of that transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis.

During fiscal year 2011 the District established the “Other Post Employment Benefits Trust Fund” and began funding its liability through this irrevocable trust. The OPEB Trust Fund is reported as a Fiduciary Fund in the accompanying financial statements.

Plan Description - The District administers a defined benefit healthcare plan through the Massachusetts Interlocal Insurance Association (MIIA) that provides lifetime healthcare insurance for eligible retirees and their spouses. Massachusetts General Laws Chapter 32B assigns authority for the District to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy - Contribution requirements are set by the Board of Water Commissioners and approved with a Special Meeting vote by the water takers of the District. The required contribution is based on a pay-as-you-go financing requirement. The District contributes 80 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 20 percent of their premium costs.

Annual OPEB Expense and Net OPEB Obligation - The District’s annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2016

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS - continued

The components of the District's annual obligation are summarized in the following table:

Normal cost	\$21,914
Amortization of unfunded actuarially accrued liability	34,259
Annual OPEB expense	56,173
Contributions made	(195,743)
Decrease in net OPEB obligation	(139,570)
Net OPEB obligation- beginning of year	817,528
Net OPEB obligation- end of year	\$677,958

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for years ended June 30, 2010 through 2016 were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$51,828	378%	\$677,958
6/30/2015	\$212,479	126%	\$817,528
6/30/2014	\$212,479	126%	\$864,832
6/30/2013	\$212,479	53%	\$912,136
6/30/2012	\$408,085	42%	\$809,440
6/30/2011	\$408,085	42%	\$572,960
6/30/2010	\$408,085	18%	\$336,480

Funded Status and Funding Process- The funded status of the Plan as of the most recent actuarial valuation dates is:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2015	\$649,881	\$1,075,003	\$425,122	60%	\$1,100,000	39%
7/1/2012	\$200,501	\$2,403,921	\$2,203,420	8.3%	\$1,020,000	216%
7/1/2009	0	\$3,515,024	\$3,515,024	0%	\$1,057,000	333%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarially accrued liabilities of benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and plan members to that point. Since the District has fewer than 100 employees, it has elected to use the alternative measurement method to calculate the actuarial valuations of its OPEB. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarially accrued liabilities and value of assets, consistent with the long term perspective of the calculations.

In the July 1, 2015 actuarial valuation, actuarial liabilities were determined using the projected unit credit method. The actuarial assumptions included a 7.0% investment return assumption, which is based on the expected yield on the District assets.

WATER SUPPLY DISTRICT OF ACTON
Required Supplemental Information and Notes to Required Supplemental Information - June 30, 2016

PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF MIDDLESEX COUNTY RETIREMENT (MCRS)	December 31, 2015	December 31, 2014
District's proportion of the MCRS Net Pension Liability	\$2,784,648	\$2,562,079
District's percentage share of the MCRS Net Pension Liability	0.215861%	0.213273%
District's covered employee payroll	\$1,013,745	\$974,755
District's Net Pension Liability as a percentage of its covered-employee payroll	274.69%	262.84%
MCRS fiduciary net position as a percentage of its total pension liability	46.13%	47.65%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE MIDDLESEX COUNTY RETIREMENT SYSTEM	Year Ended June 30, 2016	Year Ended June 30, 2015
Actuarially determined contribution based on the 1/1/14 actuarial valuation	\$165,791	\$133,367
Contributions made in relation to the actuarially determined contribution	\$165,791	\$133,367
Contribution deficiency (excess)	----	----
Covered employee payroll	\$1,013,745	\$974,755
Contributions as a percentage of covered employee payroll	16.35%	13.68%

The two schedules above are intended to present information for ten years. Until a ten year period is available, information is presented for those years for which information is available.

See notes to required supplementary information

NOTE A – PENSION PLAN – CHANGES IN ASSUMPTIONS AND PLAN PROVISIONS

- The actuarial cost method was changed to better reflect the impact of the plan changes effective for employees hired on or after April 2, 2012.
- The pre-retirement mortality assumption was changed from the RP-2000 Employee Mortality Table projected 12 years with Scale AA to the RP-2000 Employee Mortality Table projected 22 years with Scale AA.
- The mortality assumption for non-disabled retirees was changed from the RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA.
- The mortality assumption for disabled participants was changed from the RP-2000 Healthy Annuitant Mortality Table set forward two years to the RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.
- The investment return assumption was lowered from 8.00% to 7.875%.
- The salary increase assumption was changed from level rates of 4.75% per year for Group 1 and Group 2 members and 5.25% per year for Group 4 members, including an allowance for inflation of 4.5% per year, to rates based on years of service and ultimate rates of 4.25% per year for Group 1 members, 4.5% per year for Group 2 members, and 4.75% per year for Group 4 members, including an allowance for inflation of 4.0% per year.
- The assumed retirement age for inactive vested participants was changed from age 65 to age 60 for Group 1 and 2 members and remained the same at age 55 for Group 4 members hired prior to April 2, 2012. For participants hired April 2, 2012 or later, the assumption is 60 for Group 1 members, 55 for Group 2 members, and 50 for Group 4 members.
- The administrative expense assumption was increased from \$3,100,000 for calendar year 2012 to \$3,400,000 for calendar year 2014.
- Members hired on or after April 2, 2012 are covered by the provisions of Massachusetts General Law Chapter 32 as amended by Chapter 176 of the Acts of 2011 and Chapter 139 of the Acts of 2012.

WATER SUPPLY DISTRICT OF ACTON
Required Supplemental Information and Notes to Required Supplemental Information - June 30, 2016

OTHER POST-EMPLOYMENT BENEFITS SCHEDULES

SCHEDULE OF FUNDING PROGRESS			
Actuarial valuation date	7/1/2015	7/1/2012	7/1/2009
Actuarial value of assets	\$649,881	\$200,501	0
Actuarial accrued liability (AAL)	\$1,075,003	\$2,403,901	\$3,515,024
Unfunded AAL (UAAL)	\$425,122	\$2,203,420	\$3,515,024
Funded ratio	60%	8%	0%
Covered payroll	\$1,100,000	\$1,020,000	\$1,057,000
UAAL as a percentage of covered payroll	39%	216%	333%
ACTUARIAL METHODS AND ASSUMPTIONS			
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar	Level Dollar	Level Dollar
Remaining amortization period	24 years	27 years	30 years
Investment rate of return	7%	7%	3%
Health care trend rate	6.8% down to 5% after 10 years	7.9% down to 5% after 10 years	9.5% or 10%, graded to 5% after 10 years
Dental care trend rate	3.5% for all years	4.1% for all years	5.5% for all years

Year Ended	EMPLOYER CONTRIBUTIONS			PLAN MEMBERSHIP		
	Annual Required Contributions (ARC)	Actual Contributions Made	Percentage Contributed	Current retirees, beneficiaries & dependents	Current active members	Total Members
6/30/16	\$56,173	\$195,743	348%	10	14	24
6/30/15	212,479	268,054	126%	11	16	27
6/30/14	212,479	268,054	126%	12	15	27
6/30/13	212,479	118,054	53%	12	13	25
6/30/12	408,085	171,605	42%	10	13	23
6/30/11	408,085	171,605	42%	9	14	23
6/30/10	408,085	71,605	18%	8	15	23

NOTE B - OTHER POST-EMPLOYMENT BENEFITS

The District administers a defined benefit healthcare plan that provides lifetime healthcare insurance for eligible retirees and their spouses through the Massachusetts Interlocal Insurance Association (MIIA) health insurance plan, which covers both active and retired members. The District currently finances its other postemployment benefits (OPEB) on combined pre-funded and a pay-as-you-go basis whereby the funding schedule is designed to pay the normal cost currently and amortizes the unfunded liability over a period of 30 years. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarially accrued liability) as of the most recent valuation was 8.3%. In accordance with Governmental Accounting Standards, the District has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets. The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported. The Schedule of Employer Contributions presents multiyear trend information of contributions relating to the plan. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WATER SUPPLY DISTRICT OF ACTON					Page 21
Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity					
For the Year Ended June 30, 2016					
	<i>BEGINNING</i>	<i>TRANSFERS</i>	<i>AMOUNT</i>	<i>PAYMENTS</i>	<i>ENDING</i>
	<i>BALANCE</i>	<i>(TO) FROM</i>	<i>BORROWED</i>	<i>MADE</i>	<i>BALANCE</i>
	<i>06/30/15</i>	<i>GEN'L FUND/ GRACE FUND</i>			<i>06/30/16</i>
AS&G Purchase 14	\$12,210				\$12,210
Clapp Whitcomb Upgrades 15	5,000	(\$5,000)			0
Clean Rehab Wells 15	31,480			\$31,480	0
Clean Rehab Wells 16	0	50,000		50,000	0
Dump Truck 14	4,347	(2,684)		1,663	0
Engineering SAWTP 16	0		\$29,233	29,233	0
Flagg Hill Tank Repairs 12	5,379			1,875	3,504
Indian Village Engineering 16	0	35,000		19,851	15,149
Indian Village Mains	188	(188)			0
Leak Detection 15	2,650	(2,650)			0
Main Street Eminent Domain	19,519				19,519
Marshall Well Replacement 12	54				54
Media Replacement 15	13,650			13,650	0
Media Replacement 16	0	60,000		51,403	8,597
NAWTP Engineering 12	532				532
Replace Old Mains 15	20,453			20,453	0
Replace Old Mains 16	0	35,000		2,914	32,086
Residuals Management 16	0	25,000			25,000
Service Vehicles 16	0	65,000		64,840	160
Storage Tank Repairs 16	0	150,000			150,000
Storage Tank Upgrades 13	55,000				55,000
Water Main Emergency 14	21,794			21,794	0
Water Main Emergency 15	40,000			28,257	11,743
Water Main Emergency 16	0	40,000			40,000
Water Main Improvements 15	359,669			72,338	287,331
Water Main Improvements 16	0	500,000			500,000
Water Meters 15	15	(15)			0
<i>Subtotal General Fund</i>	<i>591,940</i>	<i>949,463</i>	<i>29,233</i>	<i>409,751</i>	<i>1,160,885</i>
S Acton Pilot 12	3	(3)			0
<i>Subtotal Grace Fund</i>	<i>3</i>	<i>(3)</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total	\$591,943	\$949,460	\$29,233	\$409,751	\$1,160,885

SEE INDEPENDENT AUDITOR'S REPORT

Minutes of March 16, 2016 Annual Meeting

Held at the Acton Memorial Library
486 Main Street
Acton, Massachusetts

Article 1. To fix salaries of the elected officials.
Unanimously approved.

Article 2. To act on the reports of the Commissioners, the Treasurer and other officers and committees of the District.
Unanimously approved.

Article 3. To authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2016, in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17.
Unanimously approved.

Article 4. To raise and appropriate to defray the usual expenses of the District.
Unanimously approved.

Article 5. [Original article/motion “to authorize the District to seek special legislation from the Commonwealth of Massachusetts to expand the District’s borders or otherwise to allow it to service and to supply water to a property in Concord, abutting 37 Knox Trail in Acton, for Concord’s use of the property in Concord (former WR Grace property) to use as bus maintenance depot, and other future uses, and to authorize the Commissioners to enter into an Inter-Municipal Agreement to determine the terms and conditions of such provision of water on terms determined by the Commissioners.”]

*Mr. Stuntz moves to take no action on Article 5.
Unanimously approved.*

Article 6. To transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$150,000 for the maintenance and repair of the various treatment facilities including, but not limited to, media replacement in the filtration tanks, aeration tower repair, and replacement of packing material.
*Majority approved.
One not approved.*

Article 7. To transfer from Surplus Revenue the sum of \$50,000 to clean and rehabilitate existing wells throughout the District.
Unanimously approved.

Article 8. To transfer from Surplus Revenue the sum of \$35,000 for the purpose of replacing old water mains, renewing old water services, and replacing old fire hydrants.
Unanimously approved.

Article 9. To transfer from Surplus Revenue the sum of \$40,000 for the purpose of repairing emergency water main breaks.
Unanimously approved.

Article 10. To transfer from Surplus Revenue the sum of \$60,000 for the replacement of the granular activated carbon media at the Clapp and Whitcomb well sites on Massachusetts Avenue in Acton.
Unanimously approved.

Article 11. To transfer from Surplus Revenue the sum of \$150,000 for maintenance and repair to the District's water storage tanks.

Unanimously approved.

Article 12. To transfer from Surplus Revenue the sum of \$65,000 for the purchase of two new service vehicles and to authorize the Commissioners to trade or sell the District's 2002 Chevrolet 2500 Silverado service truck.

Unanimously approved.

Article 13. To transfer from Surplus Revenue the sum of \$500,000 for water main improvements throughout the District's water system.

Unanimously approved.

Article 14. To appropriate the sum of \$1,000,000 for water main improvements in the Indian Village neighborhood and that to meet this appropriation, the Treasurer, with the approval of the Water Commissioners, is authorized to borrow the sum of \$1,000,000 under General Laws, Chapter 44, Sec. 8, or other enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project.

Unanimously approved.

Article 15. To transfer from Surplus Revenue the sum of \$35,000 for the engineering costs for future water main improvements in the Indian Village neighborhood.

Unanimously approved.

Article 16. To transfer from Surplus Revenue the sum of \$25,000 for the costs required to commission an engineered Residuals Management Study for the filtration plants.

Unanimously approved.

Article 17. To authorize the Treasurer, with the approval of the Commissioners to transfer to Surplus Revenue the following unexpended balances remaining after the completion of projects authorized by vote of the District:

A. Unexpended balance in the sum of \$2,684.25, Article 10 of the Annual Meeting of March 19, 2014, for the purchase of a new dump truck.

B. Unexpended balance in the sum of \$5,000.00, Article 10 of the Annual Meeting of March 18, 2015, for upgrades to the Clapp Whitcomb well site.

C. Unexpended balance in the sum of \$15.10, Article 13 of the Annual Meeting of March 18, 2015, for water meter replacement.

D. Unexpended balance in the sum of \$2,650.00, Article 11 of the Annual Meeting of March 18, 2015, for the leak detection survey.

E. Unexpended balance in the sum of \$188.04, Article 11 of the Annual Meeting of March 19, 2008, for the Indian Village water main project.

Unanimously approved.

Article 18. To authorize the Treasurer, with the approval of the Commissioners to transfer to the Receipt Reserve for Appropriation Account (W.R. Grace settlement) the following unexpended balances remaining after the completion of projects authorized by vote of the District:

A. Unexpended balance in the sum of \$3.00, Article 19 of the Annual Meeting of March 21, 2012, for the South Acton Treatment plant pilot.

B. Unexpended balance in the sum of \$3,786.26, Article 11 of the Annual Meeting of March 16, 2011, for carbon replacement.

C. Unexpended balance in the sum of \$7,886.24, Article 12 of the Annual Meeting of March 15, 2006, for the initial engineering and related costs and expenses for testing on the Assabet 3 well site.

Unanimously approved.

Article 19. To authorize the Treasurer, with the approval of the Commissioners, to rescind the borrowing authority previously authorized by vote of the District on the following accounts:

A. Unissued balance in the sum of \$200,000, Article 14 of the Annual Meeting of March 20, 2002, for water main improvement projects.

B. Unissued balance in the sum of \$200,000, Article 13 of the Annual Meeting of March 19, 2008, for construction of the North Acton Treatment Plant.

C. Unissued balance in the sum of \$340,000, Article 11 of the Annual Meeting of March 19, 2008, for on Mohawk Drive, Seneca Road and Oneida Road in Acton.

D. Unissued balance in the sum of \$400,000, Article 13 of the Annual Meeting of March 18, 2009, for Arlington Street water mains.

Unanimously approved.

Mr. O'Brien moved to adjourn the meeting at 8:34 p.m., the motion was seconded and all were in favor. The motion to adjourn was unanimously approved.

Water District Organization

ELECTED OFFICIALS

Commissioners	Stephen C. Stuntz Leonard A. Phillips Ronald R. Parenti	Term Expires 2017 Term Expires 2018 Term Expires 2019
District Clerk	William T. Stanford	Term Expires 2017
District Moderator	Richard P. O'Brien	Term Expires 2018

APPOINTED OFFICIALS

Finance Committee	Charles Bradley William Guthlein David A. Butler	Term Expires 2017 Term Expires 2018 Term Expires 2016
District Manager	Christopher D. Allen	Contract Expires 2017
Treasurer/Collector	Mary J. Bates	Term Expires 2017
District Counsel	Mary Bassett	Term Expires 2017
District Assistant Clerk	Helen F. Argento	Term Expires 2017
Commissioners Secretary	Lynn Protasowicki	Term Expires 2017
Auditor	Maureen Waters Mara, CPA, MST	Term Expires 2017

Water Land Management Advisory Committee

Paul Malchodi
Charles Olmstead
Barry Rosen
John Cipar

Water District Staff

Matthew L. Mostoller	Environmental Manager
Julia Hawkins	Secretary A/P Bookkeeper
Elizabeth Secinaro	A/R Bookkeeper/Secretary
Robert Murch	MIS Coordinator
Stephen G. Peterson, Jr.	Superintendent
Charles Rouleau	General Foreman
Andrew Peterson	Assistant Foreman
James Trippier	Operator/Distribution
Robert P. Dionne, Jr.	Operator/Distribution
Keith Kupfer	Operator/Distribution
Matthew Walsh	Operator/Distribution
Lucas Peterson	Operator/Distribution
Josh Richard	Operator/Distribution

Acton Water



Water Supply District of Acton

P.O. Box 953

Acton, MA 01720

**OUTDOOR WATER USE RESTRICTIONS
EFFECTIVE MAY 1 – OCTOBER 1**

- Those of you with even numbered addresses may water outdoors on Tuesdays, Thursdays and Saturdays.
- Those of you with odd numbered addresses may water outdoors on Wednesdays, Fridays and Sundays.
- No lawn watering may occur between 7:00 AM and 7:00 PM. (Watering mid-day wastes water to evaporation.)
- No outdoor usage will be allowed on Mondays.

The Monday restriction will give our storage tanks a chance to recover after the weekend. Maintenance of adequate levels is critical to serving both our domestic needs, as well as providing fire protection, if needed.