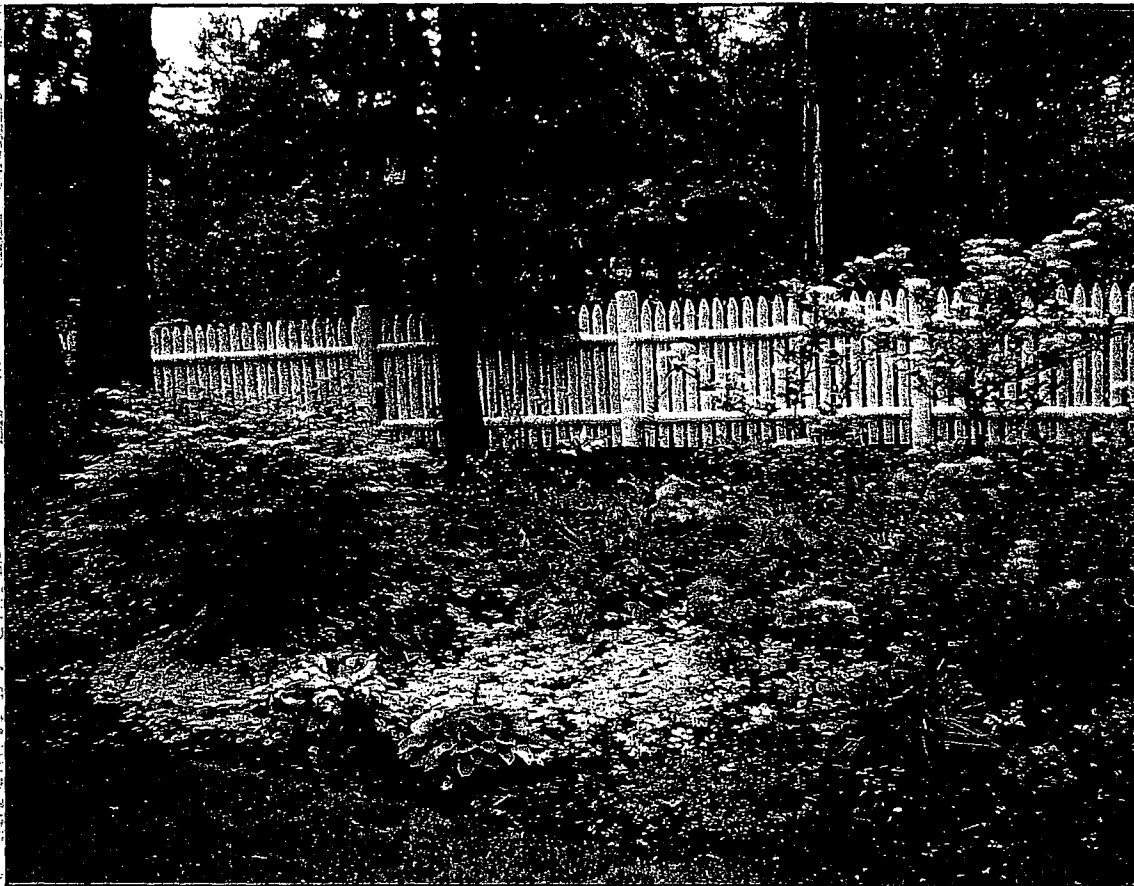


Acton Water District

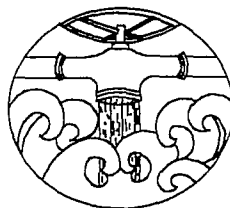
Annual Report

for the year ending December 31, 2001



Warrant Articles for the Annual Report

March 20, 2002



Index

Accountant's Report	17
Collector's Report	9
Commissioner's Report	10
District Manager's Report	13
District Meetings:	
Annual Meeting (March 21, 2001)	31
Annual Election (March 28, 2001)	3
Finance Committee's Report	15
Environmental Manager's Report	16
Rules and Regulations	35
Treasurer's Report	9
Warrant	4

On the Cover: Water-Wise garden of Acton residents Michelle and Brad Pruett. The Pruett's reduced their lawn area by nearly 50% by planting mulched beds of drought-tolerant perennials.

OUTDOOR WATER USE RESTRICTIONS EFFECTIVE MAY 1, 2001

- Those of you with even # addresses may water outdoors on Tuesdays, Thursdays and Saturdays.
- Those of you with odd # 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.

Water District Organization -- 2001

ELECTED OFFICIALS

COMMISSIONERS

Leonard A. Phillips, Chairman	Term expires 2003
Ronald R. Parenti	Term expires 2004
Stephen C. Stuntz	Term expires 2002

CLERK

Charles E. Orcutt III	Term expires 2002
-----------------------	-------------------

MODERATOR

Richard P. O'Brien	Term expires 2002
--------------------	-------------------

APPOINTED OFFICIALS

FINANCE COMMITTEE

William Kingman, Chairman	Term expires 2003
Theodore Jarvis	Term expires 2004
Charles Bradley	Term expires 2002

DISTRICT MANAGER

James L. Deming	Contract expires 2004
-----------------	-----------------------

TREASURER & COLLECTOR

Mary Jo Bates	Term expires 2002
---------------	-------------------

DISTRICT COUNSEL

Mary Bassett-Stanford	Term expires 2002
-----------------------	-------------------

COMMISSIONERS SECRETARY

Debra A. Pyrro	Term expires 2002
----------------	-------------------

ACCOUNTANTS

Maureen Waters Mara, CPA, MST	Term expires 2002
-------------------------------	-------------------

WATER DISTRICT STAFF

Jane Ceraso	Environmental Manager
Debra A. Pyrro	Secretary/A/P Bookkeeper
Helen F. Argento	A/R Bookkeeper/Secretary
Robert Koch	General Foreman
Stephen G. Peterson	Assistant Foreman/Water Supply Treatment
Patrick DeCesare	Assistant Foreman/Water Distribution
Paul McGovern	Operator/Pump Stations
Charles Rouleau, Andrew Peterson James Trippier, Richard Soar	Operator/Distribution
Robert Murch	MIS Coordinator

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:

Precincts 1 & 2- Conant School, 80 Taylor Road
Precinct 3-Douglas School, 21 Elm Street
Precinct 4-West Acton Fire Station, 256 Central Street
Precinct 5-South Acton Fire Station, 54 School Street
Acton, Massachusetts

On Tuesday, March 26, 2002
between 7 o'clock A.M. and 8 o'clock P.M.

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

Moderator for three years, one Commissioner for three years, Clerk for three years.

Water District Elections

Abstract of the proceedings of the annual election of officers of the
Water Supply District of Acton:

Tuesday, March 27, 2001
held at the five (5) Precincts of the Town of Acton.
(The polls were open from 7AM to 8PM.)

Number of Ballots cast: 462

Commissioner for 3 years:
Ronald R. Parenti 393

Moderator for 1 year:
Richard O'Brien 405

Clerk for 1 year:
Charles E. Orcutt III 419

CHARLES E. ORCUTT III, CLERK

A TRUE COPY ATTEST:



Water Supply District of Acton

W A R R A N T

March 20, 2002

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

Acton Public Library
1st Floor – Conference Room
Main Street
Acton, Massachusetts

On Wednesday, March 20, 2002
At 7:30 P.M.

Then and there to act on the following articles:

Warrant 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, 2002, 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 Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$120,000 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 \$50,000 for the purpose of installing a replacement well for the existing Clapp Well, 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 \$100,000 for the purpose of purchasing new radio read meters to continue the existing program of replacing or installing new radio read meters on all District service lines, 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 \$25,000 to purchase a new 4WD utility body pick-up truck and authorize the Commissioners to trade or sell the District's 1994 Ford F-150, 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 \$50,000 to clean and rehabilitate existing wells throughout the District, or to take any other action relative thereto.

Article 10. To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 as a special appropriation to pay for emergency water main breaks that occur unexpectedly, 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 \$25,000 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 12. To see if the District will vote to transfer from Surplus Revenue the sum of \$15,000 to pay for a pilot study and subsequent report in preparation for selection of the treatment process to ultimately be installed at the Kennedy and Marshall well sites, or to take any other action relative thereto.

Article 13. To see if the District will vote 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 \$750.00 Article 17, of the Annual Meeting of March 23, 2001, to inspect and clean the District's storage tanks.

B. Unexpended balance in the sum of \$37,290.30 Article 2, of the Special Meeting of December 7, 1998, for salaries, wages, and benefits for the planned hiring of three (3) new District employees for the balance of fiscal 1999.

C. Unexpended balance in the sum of \$7,776.00 Article 14 of the Annual Meeting of March 21, 2001, to purchase a new 4WD utility vehicle and authorize the Commissioners to trade or sell the District's 1994 Ford Tempo.

D. Unexpended balance in the sum of \$9,500.00 Article 14 of the Annual Meeting of March 17, 1999, to implement a hydrant flushing program.

Article 14. To see if the District will vote to appropriate a sum of money for the laying and relaying of water mains for the purpose of making distribution improvements in the following roadways, including all legal, bond issuance and other costs incidental thereto: Powdermill Road, Willow Street and Notre Dame Road; Mohawk Drive, Nashoba Road and Central Street in Acton; to determine whether this appropriation shall be raised by borrowing or otherwise; or to take any other action relative thereto.

Article 15. To see if the District will authorize the Commissioners to renew and extend that certain lease agreement with BALCO, Inc., for a period not to exceed fifteen (15) years, for the purpose of allowing the Lessee to continue to use an easement on that certain parcel of land off of Knox Trail in Acton, MA for the maintenance of guy/utility wires and underground cables and conduits, the renewed lease to be on such terms, conditions, and limitations as the Commissioners shall deem necessary and proper to protect the public water supply, and to be subject to and in compliance with all permits required by the Town of Acton, or to take any other action relative thereto.

Article 16. To see if the District will vote to transfer from Surplus Revenue the sum of \$9,500 to conduct a leak detection survey, 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 said meeting.

Given under our hands this 28th day of January in the year two thousand two.

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

A true copy. ATTEST:

Charles E. Orcutt, III
District Clerk

FY 2002 Appropriation and Six Month Expenditures

FY 2003 Anticipated Appropriation and Estimated Revenue

Account Name	FY 2002 Appropriation	July-Dec 2001 Actual Expense	FY 2003 Appropriation
Expense			
Accounting	5,000.00	0.00	5,000.00
Audit	13,500.00	13,500.00	13,500.00
Auto Maintenance/Fuel	18,000.00	9,499.10	21,000.00
Backflow/Cross Connection	5,000.00	683.24	2,000.00
Bank Fees	2,000.00	22.50	5,000.00
Bonds, Interest, Fees	140,275.00	11,637.50	271,812.50
Chemicals	40,000.00	12,880.98	35,000.00
Computer Maintenance	25,000.00	2,910.48	20,000.00
DEP Withdrawal	6,000.00	0.00	6,000.00
Employee Education	12,000.00	4,575.31	12,000.00
Engineering	12,000.00	1,440.00	12,000.00
Health/Life Insurance	123,000.00	47,623.88	118,950.00
Hydrants	10,000.00	7,261.56	10,000.00
Insurance	31,000.00	28,718.00	33,000.00
Laboratory Analysis	22,000.00	10,673.39	18,000.00
Legal	25,000.00	3,965.13	20,000.00
Lights/Power/Fuel	215,000.00	102,180.52	225,000.00
Maintenance & Operations	94,000.00	43,734.15	94,000.00
Middlesex Retirement	57,238.00	57,238.00	64,831.00
Meters	1,000.00	909.84	1,000.00
Office Supplies	15,000.00	3,366.79	15,000.00
Paving	12,000.00	8,533.52	12,000.00
Petty Cash	1,000.00	400.00	1,000.00
Postage	7,500.00	1,685.03	7,500.00
Reserve Fund	30,000.00	0.00	30,000.00
Salaries & Wages	830,000.00	385,669.50	855,000.00
Telephone	20,000.00	8,888.69	20,000.00
Information Reports	17,000.00	959.00	17,000.00
Total	1,789,513.00	768,956.11	1,945,593.50
Revenue			
Water Revenue	1,437,900.00	880,481.86	1,582,438.50
Fire Protection Sprinklers	15,375.00	15,157.86	15,375.00
Rent/Lease	78,000.00	46,590.24	90,780.00
Repairs/Installation/Cross Conn	46,238.00	18,353.93	45,000.00
Cross Connection	12,000.00	7,582.87	12,000.00
Demand Fees	200,000.00	106,540.00	200,000.00
Total	1,789,513.00	1,074,706.76	1,945,593.50

**Report of the Treasurer
Audited Account Balances
June 30, 2001**

Sovereign Bank A/P	45,002.09
Sovereign Money Market	112,578.15
MMDT	741,046.02
Middlesex Savings	5,393.58
Citizens Bank	6,299.30
Peoples Savings	11,487.93
First Trade Union	2,509.28

Certificates of Deposit:

Peoples Savings	100,000.00
First Trade Union	100,000.00
Citizens Bank	<u>100,000.00</u>

Total	1,224,316.35
-------	--------------

**Report of the Collector
Audited Account Balances
June 30, 2001**

Accounts Receivable June 30, 2000	41,211.09
Charges	2,001,982.85
Interest Charges	7,272.60
Refunds	<u>25,650.20</u>
	2,076,116.74

Payments	1,976,616.88
Abatelements	45,806.16
Adjustments	-
Outstanding June 30, 2001	<u>53,693.70</u>
	2,076,116.74

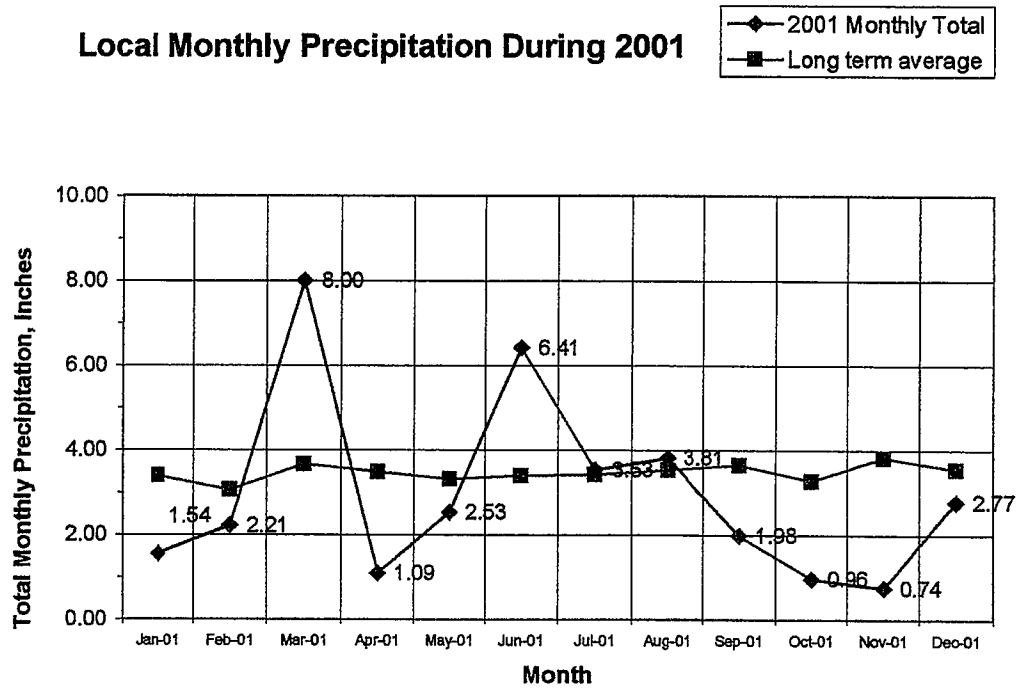
**Long Term Debt
June 30, 2001**

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Conant Well II	800,000.00	4.75%	06/15/1998	06/15/2005	490,000.00
Walsh Reservoir	2,100,000.00	6.75%	06/01/1989	06/01/2001	

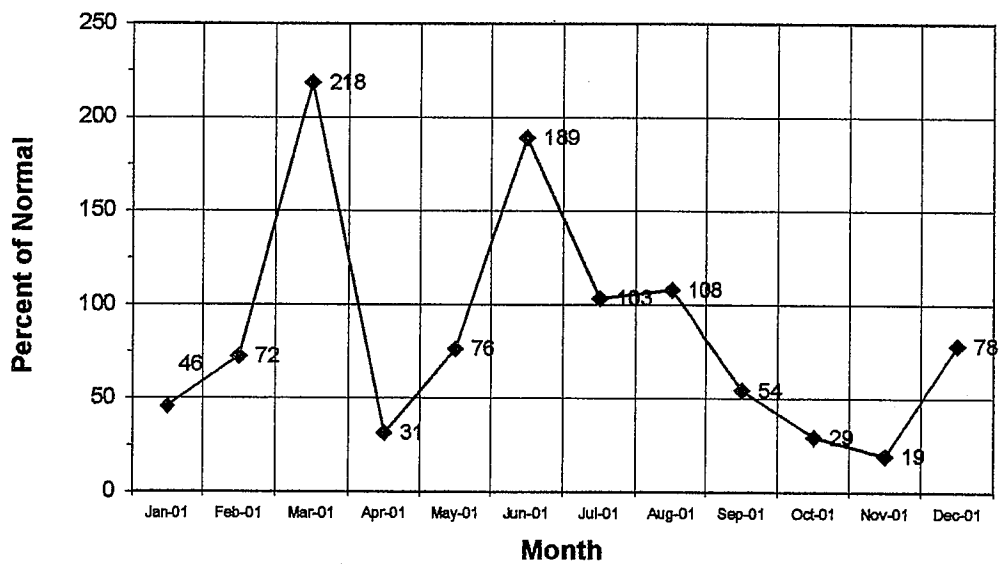
Respectfully Submitted,
Mary J. Bates
Treasurer/Collector

Report of the Commissioners

Local Monthly Precipitation During 2001



2001 Precipitation as a Percent of Normal



2001 Month	Normal Precipitation	Observed Precipitation	Monthly % of Normal
Jan	3.38	1.54	46
Feb	3.05	2.21	72
Mar	3.66	8.00	218
Apr	3.49	1.09	31
May	3.31	2.53	76
Jun	3.40	6.41	189
Jul	3.42	3.53	103
Aug	3.53	3.81	108
Sep	3.65	1.98	54
Oct	3.27	0.96	29
Nov	3.82	0.74	19
Dec	3.55	2.77	78
TOTALS	41.52	35.57	86

Local precipitation during 2001. Precipitation in our area was quite variable over the months of 2001 as shown in the table and graph. In general, March and June precipitation was much above normal, but the last four months of the year were unusually dry and led to the issuance of a statewide Drought Advisory by the Massachusetts Drought Management Force on December 21. However, for the year overall, precipitation was about 86% of normal. *(Data: from DEM reference station CONCORD 704, courtesy Linda Marler, Department of Environmental Management Office of Water Resources)*

A dry end of year

The end of year 2001 was unusually dry. On December 21, 2001, following steadily declining precipitation since August and an extremely dry November, the Massachusetts Drought Management Task Force issued a statewide Drought Advisory (see graphs and table). According to the U.S. Geological Survey, a *drought* is "a period of drier-than-normal conditions that results in water-related problems." Since mid-August 2001, Massachusetts rainfall declined steadily with cumulative precipitation only averaging 45% of normal for the months of September through December. In addition, stream flow is near record lows in many areas of the state.

The problem was not total annual precipitation—it was the virtually uninterrupted dry period since August. According to the Massachusetts Department of Environmental Management, Maynard experienced total rainfall of 42.45 inches during all of 2001; Concord had 35.57 inches. These annual totals were not far off the annual average; for comparison, the U.S. Weather Service, for all years on record through 1998, reports that Boston received an annual average of 41.51 inches of rain.

Ground water levels, which the District sees as well levels, have declined steadily since August. This runs counter to typical years, when the water table tends to rise after the outdoor watering season ends. During 2001, the U.S. Geological Survey reported that new historical low ground-water levels (based on provisional data) were measured in December 2001 at five of 106 reference wells in Massachusetts with 10 or more years of record. In December, new monthly low ground-water levels were measured at 21 USGS reference wells in Massachusetts, including one in Concord.

The National Weather Service notes that historically, the most severe droughts in New England have begun with drier than normal winters. The bottom line is that without a generous amount of precipitation this winter, the Acton Water District may be faced with unusually low water levels in the spring. Fall and winter months are not peak water use periods, but they are when reservoirs and groundwater are recharged. Without that recharge, our water supply may be impacted to the point that outdoor watering will have to be constrained more than the ongoing odd-even system, and possibly forbidden altogether.

The withdrawal limit issue

In terms of water purity, Acton water is quite possibly the purest municipal water delivered in the nation, under our self-imposed limit of 5 parts per billion (ppb) of total volatile organic contaminants, with a maximum of 1 ppb per individual contaminant species. However, in terms of supply, as District Manager Deming points out in his Report, the Acton Water District continues to face the as-yet unimposed penalties of exceeding the statutory average daily withdrawal limit mandated by the Massachusetts Water Management Act of 1985.

Notwithstanding the current critically low precipitation rate, water supply *per se* is not the issue. Our eleven wells and wellfields have a total approved DEP pumping rate of 3,650 gallons per minute. Given the seasonal and other planned variations of well availability, this works out to a maximum rate of 4.71 million gallons per day. But the Massachusetts Water Management Act (MWMA), on the basis of geophysical and geopolitical factors, imposes an average daily water withdrawal limit of only 1.92 million gallons per day (an average of approximately 1,300 gallons per minute) for the year 2001, 1.94 million gallons per day for 2010, and 1.96 million gallons per day for 2014.

During 2001, we exceeded the MWMA limit episodically. As a result of continued population growth and development in Acton, the District can reasonably expect the actual daily demand to routinely exceed the statutory limits during the coming 2002 outdoor watering season. The potential impact of the withdrawal limit on outdoor watering and even on development in Acton was discussed at several Commissioners' meetings, and we have reported our concern to the Town administration. Additionally, peak hourly demand can be much higher under continuing dry meteorological conditions, and during firefighting emergencies or serious water main breaks. In light of this trend, the District continues to petition the Commonwealth to increase the mandated withdrawal limit, while admonishing water takers to exercise care and conservation, and is closely studying the restructuring of water rates to encourage conservation.

Improvements in the distribution system

The water main on the southern portion of Main Street (Route 27) has been completely replaced, following numerous breaks of the old main during 2000 and 2001. The computerized Supervisory Control and Data Acquisition (SCADA) system has been completed. SCADA enables all key well parameters and controls to be accessed on the District headquarters computer network.

The effects of town sewer construction

The District worked very successfully on a quasi-consulting basis with the sewer contractors. The high level of rapport and communication that was achieved reduced or eliminated potential problems and water supply outages to our customers during the very busy summer construction schedule for the installation of over 9 miles of sewer pipe in roadways that already hosted water pipes. Post construction and startup of the new sewer system, the District is prepared to provide water use data to the Town of Acton for its use in determining sewer rates.

Security

In the aftermath of the September 11 terrorist attack on the New York World Trade Center, the Commissioners discussed and concluded that the security of our water supply system, which includes mechanical keylocks on all the wellhouses and filtration houses, and daily inspections, is adequate.

Management outlook

In all of these strategic issues, and in day-to-day operations, our District Manager, Jim Deming, continues to do an excellent job of handling the business of the District and in keeping morale and performance standards high. We complete the year 2001 with confidence that we can continue to meet the needs of our watertakers.

Respectfully submitted,

Leonard A. Phillips
Chairman, Commissioners

Report of the District Manager

The following report covers the activities of the District for 2001.

New meter installations	84
New housing units	87
Old meters replaced with new meters	294
Old service lines replaced or renewed	16
Repair of water mains	14
Repair or replacement of fire hydrants	22

Water mains installed in 2001 in the following areas:

Andrew Drive
Coburn Drive
Devon Drive
Hartland Way
Jackson Drive Extension
Main Street (from Pine Street to the Maynard Line)
Meyer Hill Drive

Total gallons pumped in 2001 – 785,504,426 gallons

Report of the District Manager

As I sit here in January of 2002 drafting this annual report, I am struck by the fact that the front page story in this morning's newspaper talks about the lack of rainfall throughout the region over the past 6 months and warns of the likelihood of water shortages and watering restrictions that will be seen this summer if this disturbing weather pattern does not change.

Here at the Acton Water District we are entirely dependent upon Mother Nature and her ability to replenish the ground water table to provide our wells with the necessary recharge so that we can meet the demands of our users, especially in the upcoming summer months.

We have worked exceedingly hard, and many of the users in our system have responded by making changes to outdoor water use habits. We are seeing a gradual acceptance of the need to reduce all outdoor usage, and in particular, to reduce the amount of water used to irrigate lawns. We have begun to see some of the results of those efforts, however, the possibility of impending drought makes the need to continue, and strengthen that effort, even more important.

In calendar year 2001 we continued to add users to our system, about a 4% increase, very much in line with what we have seen over the past 5 years. While we did see a reduction in our peak daily usage of almost 25% from what it was in 1999 (from 4.1 mgd to 3.1 mgd.) Our overall usage reached an all time high. This tells us that while our per capita usage remains low, and our efforts to reduce peak usage are showing some signs of success, the growth throughout our system continues to drive the annual demand for water up, and we are continually challenged with the effort to meet that demand.

For the past several years I have warned of the likelihood of the Water District exceeding our annual permitted water withdrawal limits. While we maintain a physical capability of pumping more water, our regulatory limit, established by D.E.P. is not to exceed an average annual daily withdrawal of 1.92 mgd. This year, we have exceeded that number.

We have been working with D.E.P over the past several years to get an increase in this permitted withdrawal number. There is reason to believe we will see a marginal increase authorizing additional withdrawal this coming year. Because of this and other factors, while we have exceeded our limits, we are not yet technically in violation and have no reason to believe any penalties will be imposed. This however, does not diminish the importance of the natural limits of our existing water supply, nor of the potential consequences that we could see with respect to the use of that supply should the warnings of impending drought prove to be a reality.

We have a responsibility to manage and maintain our existing supplies to the very best of our ability. We also must continue to use all available resources to try to identify any and all potential new sources of supply. The headline in this morning's paper should serve as a reminder to us all that we are powerless to influence Mother Nature. Therefore, to a very large degree, the severity of watering restrictions that we may see this coming summer may well be determined by something completely outside of our control. This is all the more reason to remind us all that water is not a limitless resource, and we need to continue to be diligent in our efforts to conserve its use, wherever possible. The need to conserve this very special resource is compounded when we are faced with a potential drought situation. However, our continued growth as a community ensures that the need to conserve will be with us forever.

As always I would like to take this opportunity to express my gratitude to all of the Town and School District Departments and their employees for their continued cooperation throughout this past year. I also want to recognize the contributions of all of the Water District employees, as well as all appointed and elected officials. It is through their efforts that we can continue to provide a product, and a level of service that is second to none. Finally, my sincere gratitude to all the District's residents for their continued support and cooperation.

Respectfully submitted,



James L. Deming
District Manager

Report of the Finance Committee for 2001

The Acton Water District continues in a solid financial position. Income for the fiscal year ended June 30, 2001, exceeded expenses by \$299,092. The Certified "Free Cash" for the fiscal year end was \$631,239, reflecting the continued growth in new home construction and the associated hook-up fees. The final payment was made on the balance due on the 1989 bond for William Walsh reservoir tank. The only bonded debt remaining is \$490,000 for the Conant II Well, at 4.75%, which will be paid off 6/15/05.

It is important to remember in reviewing the Annual Report of the District dated December 31st that all the written reports and financial statements are for the fiscal year ended six months earlier on June 30th in accordance with Massachusetts law. However, because of the tragedy of September 11, 2001, and its shock to the world's securities markets, the Finance Committee wishes to report the performance of the Grace Fund, managed by Brown Brothers Harriman & Co., for the calendar year 2001. The total return for the year, after adjusting for budgeted income and capital withdrawals was +1.03%.

All the District employees are participants in the Middlesex Retirement System. The Finance Committee is pleased to report that after years of neglect and subpar investment returns, the Retirement System is now invested in Domestic and International bond, stock, and real estate Mutual Funds. For calendar year 2000 these investments had a total return of +4.9%.

In April Linda M. Larson, after serving 15 years, 11 as Treasurer/Collector, retired to a well deserved and less exacting life on Cape Cod. The Finance Committee has been greatly strengthened by her patient, but firm gentle guidance in the District's accounting procedures and municipal finance. She insisted that Investment Guidelines be established for the Grace Fund, and that it be integrated, but independently accounted for in the Annual District budget. We will recall our pleasant association whenever we sit on her "sun bench" in the Acton Water District Water-Wise garden.

The Finance Committee welcomes Mary Jo Bates as the District's new Treasurer/Collector. Her experience in property management and municipal finance will well serve the Committee and the District.

The Finance Committee greatly appreciates the cheerful cooperation and patient assistance during the year of the District's Commissioners, Manager, Treasurer, and the Administration Staff.

Respectfully submitted

William L. Kingman, Chairman
Theodore Jarvis
Charles Bradley

Report of the Environmental Manager

I believe that water is an undervalued resource, especially here in the Northeast. The costs to provide clean drinking water are many: purchase of land surrounding water sources and potential future sources; source development expenses (the last new source the Acton Water District put on-line cost \$2 million, excluding the cost of the land); ongoing engineering and maintenance costs; energy costs to run pump stations and treatment facilities; regular monitoring costs for over 100 different contaminants; and the costs of treatment are but a few. But for the average homeowner, the price they pay to open their tap and have potable water 24 hours a day, 7 days a week is less than the cost of most other household utilities or services. It may be interesting to compare your cable, DSL, or electric utility bill to your water bill. Did you know that a gallon of Acton water costs you only about two-tenths of a cent? And what utility could be more important to life and the functioning of your household?

Water is becoming increasingly more precious. Acton used more water in 2001 than at any other time in the history of the Acton Water District. Despite the fact that it appears that people in Acton are increasingly using water more wisely, there are simply many more people in town. It appears that we will need to obtain more water to meet the demands of our customers sooner rather than later.

There are several approaches to obtain more water. We have already implemented a conservation program and continue to optimize our existing sources. The remaining approaches are much more costly. They involve building full-scale treatment facilities for sources under-utilized due to aesthetic water quality problems, and developing new sources of supply. Either of these approaches is likely to take several years, and millions of dollars, and necessitate more revenues in the form of increased water rates.

The details of an upcoming rate increase are yet to be developed, but customers can expect to pay more for water in the future, particularly those who use a lot of water during our high peak (spring and summer) season. Although many people are doing more to conserve water during the peak months, there are still some customers who use well over 10,000 cubic feet (75,000 gallons) of water during the summer billing cycle. Adding a high-end, conservation or peak rate is something many Massachusetts water utilities are now doing to both encourage water conservation and generate revenues to provide more water in a time of diminishing supply. It appears that this time has come for Acton.

The Acton Water District's average annual water cost per household has consistently been below the state average. We remain committed to providing you with the best quality water possible at an affordable price. We also remain committed to preserving this important resource for users today and into the future. It is time to place a greater value on our drinking water. I thank you for your assistance in this endeavor!

Respectfully submitted

Jane Ceraso
Environmental Manager

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

JUNE 30, 2001

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

JUNE 30, 2001

C O N T E N T S

Independent Auditor's Report

Combined Statement of Assets, Liabilities and Fund Balances
- All Fund Types and Account Groups - Statutory Basis

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
- Statutory Basis

Statement of Revenues, Expenditures and Changes in Fund Balance
- Budget and Actual - General Fund - Statutory Basis

Statement of Revenues, Expenditures and Changes in Fund Balance
- Fiduciary Fund Type - Statutory Basis

Notes to the Financial Statements

Supplemental Schedule of Capital Projects Fund Activity
- Statutory Basis

Supplemental Schedule of W.R. Grace Fiduciary Fund Activity
- Statutory Basis

Mara & Associates, PC

Certified Public Accountants

Maureen Waters Mara, CPA, MST
70 Junction Square Drive
Concord, MA 01742

Phone: 978-369-9905
Fax: 978-371-2931

Independent Auditor's Report

Board of Water Commissioners
Water Supply District of Acton
Acton, Massachusetts

We have audited the financial statements of the Water Supply District of Acton as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the Water Supply District of Acton management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Water Supply District of Acton prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the laws of the Commonwealth of Massachusetts which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, because of the Water Supply District of Acton's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with generally accepted accounting principles, the financial position of the Water Supply District of Acton as of June 30, 2001, or the results of its operations or the changes in its fund balances for the year then ended.

Independent Auditor's Report (continued)

However, in our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the Water Supply District of Acton as of June 30, 2001, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 2.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Supplemental Schedules of Capital Projects Fund Activity and W.R. Grace Fiduciary Fund Activity are presented for purposes of additional analysis and are not a required part of the financial statements of the Water Supply District of Acton. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and is fairly presented, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 2.

Mara & Associates, PC

Mara & Associates, PC
Concord, Massachusetts
August 07, 2001

WATER SUPPLY DISTRICT OF ACTON

Combined Statement of Assets, Liabilities and Fund Balances -

All Fund Types and Account Groups - Statutory Basis

June 30, 2001

	<i>GOVERNMENTAL FUND TYPE</i>		<i>FIDUCIARY FUND TYPE</i>	<i>ACCOUNT GROUP</i>	<i>TOTAL</i>
	<i>GENERAL FUND</i>	<i>CAPITAL PROJECTS</i>	<i>W.R. GRACE FUND</i>	<i>GENERAL LONG TERM DEBT</i>	<i>(MEMO ONLY)</i>
<i>ASSETS</i>					
Cash and Cash Equivalents	\$1,224,316		\$296,051		\$1,520,367
Investments			2,458,918		2,458,918
Accounts Receivable	53,694				53,694
Less Reserve for Uncollectible Receivables	(53,694)				(53,694)
Due from General Fund		\$593,077			593,077
Amount to be Provided for Long Term Debt				\$490,000	490,000
Total Assets	\$1,224,316	\$593,077	\$2,754,969	\$490,000	\$5,062,362
<i>LIABILITIES AND FUND BALANCES</i>					
<i>LIABILITIES</i>					
Current Portion Long Term Debt				\$115,000	\$115,000
Long Term Debt				375,000	375,000
Due to Capital Projects Fund	\$ 593,077				593,077
Total Liabilities	593,077	0	0	490,000	1,083,077
<i>FUND BALANCES</i>					
Unreserved	631,239				631,239
Reserved for Capital Projects		593,077			593,077
Reserved for W.R. Grace			\$2,754,969		2,754,969
Total Fund Balances	631,239	593,077	2,754,969	0	3,979,285
Total Liabilities and Fund Balances	\$1,224,316	\$593,077	\$2,754,969	\$490,000	\$5,062,362

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

Mara & Associates, PC
 Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -

All Governmental Fund Types - Statutory Basis

For the Year Ended June 30, 2001

	<i>GENERAL FUND</i>	<i>CAPITAL PROJECTS</i>	<i>TOTAL (MEMO ONLY)</i>
REVENUES			
Water Rates	\$1,470,293		\$1,470,293
Water Services	478,858		478,858
Interest Income	82,803		82,803
Total Revenues	2,031,954		2,031,954
EXPENDITURES			
Capital Project Expenditures	0	\$811,944	811,944
Salaries and Wages	751,583		751,583
Bonds, Interest and Fees	320,075		320,075
Lights, Power and Fuel	174,294		174,294
Health and Life Insurance	102,691		102,691
Maintenance and Operations	93,938		93,938
Middlesex County Retirement	54,428		54,428
Insurance	29,346		29,346
Chemicals	27,168		27,168
Telephone	19,162		19,162
Legal	16,347		16,347
Reserve Fund	15,903		15,903
Information Reports	15,000		15,000
Auto Maintenance and Fuel	14,339		14,339
Audit	13,500		13,500
Laboratory Analysis	13,070		13,070
Office Supplies	11,693		11,693
Paving	10,045		10,045
Engineering	10,000		10,000
Education	9,817		9,817
Hydrants	8,229		8,229
Computer Maintenance	7,056		7,056
Postage	6,123		6,123
D.E.P. Withdrawal and Fees	5,511		5,511
Accounting	1,440		1,440
Meters	858		858
Petty Cash	684		684
Cross Connection	562		562
Bank Fees	0		0
Total Expenditures	1,732,862	811,944	2,544,806
REVENUES OVER (UNDER) EXPENDITURES	299,092	(811,944)	(512,852)
OTHER FINANCING SOURCES (USES)			
Transfers to General Fund from Capital Projects Fund	225,437	(225,437)	0
Transfers from General Fund to Capital Projects Fund	(673,000)	673,000	0
Excess of Revenues and Other Sources Over (Under)			
Expenditures and Other Uses	(148,471)	(364,381)	(512,852)
Fund Balance - Beginning of Year	779,710	957,458	1,737,168
Fund Balance - End of Year	\$631,239	\$593,077	\$1,224,316

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

Mara & Associates, PC
 Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund - Statutory Basis

For the Year Ended June 30, 2001

			<i>VARIANCE FAVORABLE (UNFAVOR- ABLE)</i>
	<i>ACTUAL</i>	<i>BUDGET</i>	
REVENUES			
Water Rates	\$1,470,293	\$1,391,578	\$78,715
Water Services	478,858	487,500	(8,642)
Interest Income	82,803	0	82,803
Total Revenues	2,031,954	1,879,078	152,876
EXPENDITURES			
Salaries and Wages	751,583	790,000	38,417
Bonds, Interest and Fees	320,075	322,075	2,000
Lights, Power and Fuel	174,294	185,000	10,706
Health and Life Insurance	102,691	123,000	20,309
Maintenance and Operations	93,938	94,000	62
Middlesex County Retirement	54,428	54,503	75
Insurance	29,346	32,000	2,654
Chemicals	27,168	40,000	12,832
Telephone	19,162	20,000	838
Legal	16,347	25,000	8,653
Reserve Fund	15,903	30,000	14,097
Information Reports	15,000	15,000	0
Auto Maintenance and Fuel	14,339	15,000	661
Audit	13,500	13,500	0
Laboratory Analysis	13,070	15,000	1,930
Office Supplies	11,693	15,000	3,307
Paving	10,045	12,000	1,955
Engineering	10,000	10,000	0
Education	9,817	12,000	2,183
Hydrants	8,229	10,000	1,771
Computer Maintenance	7,056	20,000	12,944
Postage	6,123	7,000	877
D.E.P. Withdrawal and Fees	5,511	6,000	489
Accounting	1,440	5,000	3,560
Meters	858	1,000	142
Petty Cash	684	1,000	316
Cross Connection	562	5,000	4,438
Bank Fees	0	1,000	1,000
Total Expenditures	1,732,862	1,879,078	146,216
REVENUES OVER EXPENDITURES	299,092	0	299,092
OTHER FINANCING SOURCES (USES)			
Transfers to General Fund from Capital Projects Fund	225,437	225,437	0
Transfers from General Fund to Capital Projects Fund	(673,000)	(673,000)	0
Excess of Revenues (Under) Expenditures and Other Uses	(148,471)	(447,563)	299,092
Fund Balance - Beginning of Year	779,710	779,710	0
Fund Balance - End of Year	\$631,239	\$332,147	\$299,092

Mara & Associates, PC

Certified Public Accountants

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

WATER SUPPLY DISTRICT OF ACTON

Statement of Revenues, Expenditures and Changes in Fund Balance -

Fiduciary Fund Type - Statutory Basis

For the Year Ended June 30, 2001

*W.R. GRACE**FUND**REVENUES*

Dividend and Interest Income	\$112,883
Net Increase in the Fair Value of Investments	151,340
Total Revenues	<u>264,223</u>

EXPENDITURES

Maintenance and Operations	23,404
Clapp/Whitcomb Media Replacement	37,393
Assabet II Well Expenses	41,553
Conant I Pump/Motor	441
School Street Treatment	127,674
Investment Management Fees	23,988

Total Expenditures	<u>254,453</u>
--------------------	----------------

Revenues Over Expenditures	9,770
----------------------------	-------

Fund Balance - Beginning of Year	<u>2,745,199</u>
----------------------------------	------------------

Fund Balance - End of Year	<u><u>\$2,754,969</u></u>
----------------------------	---------------------------

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

Mara & Associates, PC

Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2001

NOTE 1 - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The basic operations of the District are financed by water rate and services charges. In the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, these operations are reflected in the General Fund.

Summary of Significant Accounting Policies

The accounting and reporting policies of the District relating to the funds and account groups included in the accompanying financial statements conform with the Commonwealth of Massachusetts' uniform reporting system. The following significant accounting policies were applied in the preparation of the accompanying financial statements:

Reporting Entity

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.

Basis of Presentation: Fund Accounting

The accounts of the Water Supply District of Acton are organized on the basis of funds and account groups, each of which is a separate entity with its own self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The District uses the following generic fund types to record its activities:

Governmental Fund Types

General Fund - accounts for all financial resources of the District that are not required to be accounted for in another fund.

Capital Projects - accounts for all resources used for the acquisition or construction of capital projects, facilities, or studies.

Fiduciary Fund Type

W.R. Grace Fund - accounts for activity of the W.R. Grace Settlement and is restricted to cover expenditures for treatment and maintenance of the water system.

Account Group

General Long-Term Debt Account Group - accounts for all long-term obligations of the District, which consist of bonds payable for capital projects.

Basis of Accounting

The accounts of all funds and general long-term debt group of accounts are maintained and presented in accordance with the Commonwealth of Massachusetts' uniform reporting system. 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.

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2001

NOTE 1 - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment are not recorded on the Combined Statement of Assets, Liabilities and Fund Balances of the District. Funds used to acquire property, plant and equipment 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.

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.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memo Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

As indicated in Note 1, the District prepares its financial statements using the Commonwealth of Massachusetts' uniform reporting system which is a comprehensive basis of accounting other than generally accepted accounting principles. Although the Commonwealth of Massachusetts' uniform reporting system is not in conformity with generally accepted accounting principles, cities, towns and other municipal entities use it extensively throughout the Commonwealth.

The District uses the Commonwealth of Massachusetts' uniform reporting system whereby revenues are recorded when received and expenditures are recorded when they are paid. Under generally accepted accounting principles, the District's General Fund would be accounted for on the accrual method of accounting whereby revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the accounting period incurred.

The District also uses the Commonwealth of Massachusetts' uniform reporting system whereby the costs of property, plant and equipment are reported as expenditures from the Capital Projects Fund. Under generally accepted accounting principles, the property, plant and equipment would be capitalized on the balance sheet and depreciated over the useful lives of the various assets.

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2001

NOTE 3 - 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 its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The District has not experienced any losses in such accounts. The District believes it is not exposed to any significant credit risk on cash.

NOTE 4 - INVESTMENTS

The W.R. Grace Fund investments are managed pursuant to Massachusetts General Laws. The objective of the Grace Fund is to cover major capital expenses needed to improve water quality or quantity. The fund is managed by Brown Brothers Harriman with the guideline that there is low risk to principal while providing a continuing revenue stream. The Finance Committee of the District has established investment objectives such that funds are to be invested 30-50% in equities and 50-70% in fixed income obligations, with less than 10% of the portfolio in cash equivalents. At June 30, 2001, the funds were invested 49% in equities, 42% in fixed income obligations, and 9% in cash equivalents.

The W.R. Grace Fund investments are carried at fair value. During the year ended June 30, 2001, the District realized a net gain of \$204,367 from the sale of investments. The unrealized loss on investments held at year-end was \$53,027. The net increase in the fair value of investments during the year was \$151,340. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

NOTE 5 - INTERFUND RECEIVABLE AND PAYABLE

At June 30, 2001, \$593,077 is due to the Capital Projects Fund from the General Fund.

NOTE 6 - LONG-TERM DEBT

Long-Term Debt consists of the following general obligation bond at June 30, 2001:

Description	Original Amount	Interest Rate	Date of Issue	Date of Maturity	Balance 6/30/01
Conant Well II	\$800,000	4.75%	06/16/98	06/15/05	\$490,000

During the year ended June 30, 2001, \$280,000 of principal and \$40,075 of interest was paid on the Conant Well II bond noted above, as well as the Walsh Reservoir bond, which was paid in full. This total of \$320,075 is reported as "Bonds, Interest and Fees" in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

Mara & Associates, PC
Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2001

NOTE 6 - LONG-TERM DEBT (continued)

The annual requirements to amortize all debt outstanding as of June 30, 2001 are as follows:

Fiscal Year Ending June 30,

2002	\$115,000
2003	120,000
2004	125,000
2005	<u>130,000</u>
Total	<u>\$490,000</u>

NOTE 7 - RETIREMENT PLAN

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 determined on a "pay-as-you-go" basis by the State Division of Insurance and are estimates of pensions actually payable during an accounting period. In addition, employees contribute 5%, 7%, 8% or 10% of their base pay depending on when they entered the system. The District's contributions for the year ended June 30, 2001, were \$54,428.

In addition, the District has a voluntary Section 457 retirement plan. Employees may make pre-tax contributions, and the District will match contributions up to 3% of the participating employee's base salary. The maximum employee and District combined contribution is \$8,000 per year. District match contributions for the year ended June 30, 2001 were \$18,170, which are included in Salaries and Wages.

NOTE 8 - COMMITMENTS

The District has entered into certain contracts for water main installations, for development of well control systems, for upgrading water services and meters to existing homes, for improvements to existing water lines, and for improvements to water quality.

The District has been awarded a \$42,000 grant from the state Department of Environmental Protection (DEP) to protect land around the District's wellsites. The District has appropriated the funds in the W.R. Grace Fiduciary Fund, and expects to both expend the funds and be reimbursed by DEP in the fiscal year ending June 30, 2002.

The District has entered an agreement with a condominium complex to abate current water usage charges in consideration of estimated overbilling for water usage during the years 1990-1999. During the year ended June 30, 2000, the District abated \$22,967, and during the year ended June 30, 2001, the District abated \$18,109. It is estimated that the District will abate an additional \$69,000 as water services are provided in future years in final settlement of this matter.

CONCLUDED.

Mara & Associates, PC

Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Supplemental Schedule of Capital Projects Fund Activity - Statutory Basis

For the Year Ended June 30, 2001

	<i>BEGINNING BALANCE 06/30/00</i>	<i>TRANSFERS FROM GENERAL FUND</i>	<i>TRANSFERS TO GENERAL FUND</i>	<i>PAYMENTS MADE</i>	<i>ENDING BALANCE 06/30/01</i>
4 Wheel Drive Vehicle 01	\$0	\$31,000		\$23,224	\$7,776
Computer Hardware 00	5,238			3,862	1,376
Dump Truck 99	1,740		\$1,740		0
Employees 99	37,946			584	37,362
Great Hill 99	440			440	0
Hydrant Flushing 99	9,500				9,500
Leak Detection 99	1,575		880	695	0
Master Plan 01	0	12,000			12,000
Pick-up Truck 00	16,000		3,561	12,439	0
Pick-up Truck with Plow 00	31,000		8,169	22,831	0
Radio Read Meter 00	99,865			98,720	1,145
Radio Read Meter 01	0	100,000			100,000
SCADA System 99	370,168			368,370	1,798
Storage Tank Inspection 01	0	15,000		14,250	750
Wampus Hill Fence 01	0	15,000		15,000	0
Water Main Break Repairs 98	8,477			7,322	1,155
Water Main Emergency 01	0	25,000			25,000
Water Main Replacement 00	25,000			18,403	6,597
Water Main Replacement 01	0	25,000			25,000
Water Mains Main Street 01	0	425,000		61,439	363,561
Water Mains School/Wthabee 99/00	276,434		211,087	65,347	0
Water Mains/Hydrants 98	20,647			20,647	0
Water Source Investigation 00	25,043			25,043	0
Well Clean and Rehab 00	25,000			25,000	0
Well Clean and Rehab 01	0	25,000		24,943	57
Well Cleaning 00	3,385			3,385	0
	<u>\$957,458</u>	<u>\$673,000</u>	<u>\$225,437</u>	<u>\$811,944</u>	<u>\$593,077</u>

Mara & Associates, PC
Certified Public Accountants

SEE ACCOUNTANT'S REPORT.

WATER SUPPLY DISTRICT OF ACTON

Supplemental Schedule of W.R. Grace Fiduciary Fund Activity - Statutory Basis
For the Year Ended June 30, 2001

	<i>BEGINNING BALANCE 06/30/00</i>	<i>APPROPRIA- TIONS PER ANNUAL MEETING</i>	<i>REVENUES OVER(UNDER) EXPENDI- TURES</i>	<i>ENDING BALANCE 06/30/01</i>
Maintenance and Operations	\$101,097	\$15,000	(\$23,404)	\$92,693
Air Stripper	368			368
Scribner Wellfield Rehabilitation	0	125,000		125,000
Assabet II Well	41,553		(41,553)	0
Wellhead Protection Grant	0	42,000		42,000
Clapp/Whitcomb Media Replacement	0	60,000	(37,393)	22,607
Conant I Pump/Motor	2,516		(441)	2,075
School Street Treatment	161,800		(127,674)	34,126
Unappropriated	2,437,865	(242,000)	240,235	2,436,100
	<u>\$2,745,199</u>	<u>\$0</u>	<u>\$9,770</u>	<u>\$2,754,969</u>

SEE ACCOUNTANT'S REPORT.

Mara & Associates, PC
Certified Public Accountants

Annual Meeting – Water Supply District of Acton

March 21, 2001

Article 1: VOTED to fix the salaries of the elected officials as follows:

Chairman of the Commissioners:	\$1,200 per year
Two Commissioners:	\$1,000 per year
Moderator:	\$ 50 per meeting
Clerk:	\$ 600 per year

PASSED UNANIMOUSLY

Article 2: VOTED to accept the reports of the Commissioners, the Treasurer and other officers of the District.

PASSED UNANIMOUSLY

Article 3: VOTED that the District authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2001, 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 7.

PASSED UNANIMOUSLY

Article 4: VOTED that the District vote to raise and appropriate to defray the usual expenses of the District.

PASSED UNANIMOUSLY

Article 5: VOTED that the District transfer from Receipt Reserve for Appropriation Account (W.R. Grace Settlement) the sum of \$15,000 for the maintenance and operation, carbon replacement, and power costs at the various treatment plants operated by the District.

PASSED UNANIMOUSLY

Article 6: VOTED that the District transfer from Receipt Reserve for Appropriation Account (W.R. Grace Settlement) the sum of \$125,000 to rehabilitate the existing Scribner Wellfield off Lawsbrook Road in Acton.

PASSED UNANIMOUSLY

Article 7: VOTED to transfer from Receipt Reserve for Appropriation Account (W.R. Grace Settlement) the sum of \$60,000 to replace the media in the filtration tanks at the Clapp/Whitcomb Treatment Facility.

PASSED UNANIMOUSLY

Article 8: VOTED to transfer from Receipt Reserve for Appropriation Account (W.R. Grace Settlement) the sum of \$42,000 to be used to fund the grant given to the District by the Department of Environmental Protection (DEP) for Wellhead Protection, such amount to be reimbursed to the District by DEP.

PASSED UNANIMOUSLY

Article 9: VOTED that the District authorize the Commissioners to enter into a long term written lease, with options to extend for a period not to exceed twenty (20) years, with Omnipoint Holdings, Inc. doing business as VoiceStream Wireless, for the purpose of allowing the lessee to construct a building and a monopole for telecommunication purposes on a portion of the land owned by the District on Flagg Hill located off Ethan Allen Drive in Acton. The written lease will be on such terms, conditions, and limitations as the Commissioners shall deem necessary and proper to protect the public water supply, and to be subject to and in compliance with all conditions of a special permit issued by the Town of Acton Board of Appeals after hearing.

MOTION FAILS

Article 10: VOTED that the District authorize the Treasurer, with the approval of the Commissioners to transfer to Surplus Revenue Account the following unexpended balances remaining after completion of projects authorized by vote of the District:

Unexpended balance in the sum of \$3561.14 Article 9, of the Annual Meeting of March 15, 2000, to purchase a new pick-up and to authorize the Commissioners to trade or sell the District's 1994 Ford F-150 truck.

Unexpended balance in the sum of \$1739.98 Article 8, of the Annual Meeting of March 17, 1999 to purchase a new dump truck and to authorize the Commissioners to trade or sell the District's 1985 dump truck.

Unexpended balance in the sum of \$8169.00 Article 8, of the Annual Meeting of March 15, 2000 to purchase a new 4WD pick-up with utility body and plow and to authorize the Commissioners to trade or sell the District's 1993 pick-up with utility body.

Unexpended balance in the sum of \$880.00 Article 10 of the Annual Meeting of March 17, 1999 for a leak detection survey, for pipes and water mains owned by the District.

Unexpended balance in the sum of \$211,086.56, Article 12 of the Annual Meeting of March 17, 1999 for the purpose of design, engineering and construction for the future water main project on School Street and Wetherbee Street.

PASSED UNANIMOUSLY

Article 11: VOTED to transfer from Surplus Revenue the sum of \$425,000 for the purpose of replacing the existing water mains located on Main Street, Acton from Pine Street to Conant Street, and if required, to enter into an agreement with the Town of Maynard pursuant to G.L. Chapter 40, section 4A for the laying of pipe in the public way or to take any other action relative thereto.

PASSED UNANIMOUSLY

Article 12: VOTED to transfer from Surplus Revenue the sum of \$100,000 for the purpose of new radio read water meters for a continuing program for the installation of both new and existing services of the District.

PASSED UNANIMOUSLY

Article 13: VOTED to transfer from Surplus Revenue the sum of \$25,000 for the purpose of replacing old water mains, renewing numerous outdated water services from existing water mains to the property line.

PASSED UNANIMOUSLY

Article 14: VOTED that the District transfer from Surplus Revenue the sum of \$31,000 to purchase a new 4WD utility vehicle and authorize the Commissioners to trade or sell the District's 1994 Ford Tempo.

PASSED UNANIMOUSLY

Article 15: VOTED to transfer from Surplus Revenue the sum of \$12,000 to update the District's "Master Plan."

PASSED UNANIMOUSLY

Article 16: VOTED to transfer from Surplus Revenue the sum of \$25,000 to clean and rehabilitate existing wells throughout the District.

PASSED UNANIMOUSLY

Article 17: VOTED to transfer from Surplus Revenue the sum of \$15,000 to inspect and clean the District's storage tanks.

PASSED UNANIMOUSLY

Article 18: VOTED to transfer from Surplus Revenue the sum of \$25,000 as a special appropriation to pay for emergency water main breaks that occur unexpectedly.

PASSED UNANIMOUSLY

Article 19: VOTED to transfer from Surplus Revenue the sum of \$15,000 to install a fence around the Wampus Hill Storage Tank.

PASSED UNANIMOUSLY

Article 20: VOTED to authorize the Commissioners to renew and extend that certain lease agreement, with Dyno New England Inc., now known as Dyno Nobel Inc., for a period not to exceed five (5) years, for the purpose of allowing the lessee to continue to use the three existing magazines for the storage of explosives on District property located off High Street and Powdermill Road in Acton, the renewed lease to be in such terms, conditions and limitations as the Commissioners shall deem necessary and proper to protect the public water supply and to be subject to and in compliance with all permits required by the Town of Acton.

MOTION FAILS

Article 21: VOTED to see if the District will vote to amend Section V of the By-Laws of the District by changing the wording as follows, or to take any other action thereto.

At each Annual Election Day there will be elected by ballot, one Commissioner for a term of three years, and as needed a Clerk and Moderator for a period of three years.

PASSED UNANIMOUSLY

Article 22: VOTED to amend Section XIV of the By-Laws of the District by changing the wording as follows, or to take any other action relative thereto:

District authorizes the Commissioners to establish due dates for payments of water charges and bills, and authorizes the Commissioners to fix a rate of interest which shall accrue if such charges or bills remain unpaid after such due dates, provided, however, such rate of interest shall not exceed the rate of interest which may be charged on tax bills under the provision of Section 57 of Chapter 59 Massachusetts General Laws as amended.

PASSED UNANIMOUSLY

Article 23: VOTED to amend Section XVII of the By-Laws of the District by changing the wording as follows, or to take any other action relative thereto.

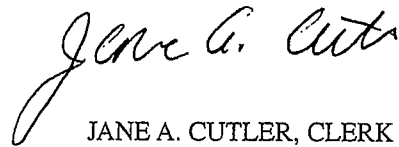
The owner of the property supplied will be charged for all water furnished to the premises during ownership of the premises. When the ownership changes, the name and mailing address of the new owner will be given to the Treasurer-Collector of the District, at once, so that bills may be properly rendered.

The property owner must keep the water meter on the premises easily accessible for reading at all times, and will not tamper with the meter in any way.

All new construction will require separate service lines.

PASSED UNANIMOUSLY

A TRUE COPY ATTEST:


JANE A. CUTLER, CLERK

Water Supply District of Acton
Rules, Regulations and Rates
Revised October 2, 2001

The following Rules and Regulations shall be considered a part of the Contract with every person using the water.

- A. All applications for the use of water are available at the Water District office, 693 Massachusetts Avenue. Demand charge schedule is set forth as follows:

PIPE SIZE	DEMAND CHARGE
1 inch	2520.00
1 1/2 inch	7812.00
2 inch	15624.00
3 inch	42840.00
4 inch	95760.00
6 inch	284760.00
Multi-dwelling (per apt. or each living unit)	1200.00

	SPRINKLER DEMAND CHARGES
Buildings up to 20,000 square feet	500.00
Buildings between 20,000 square feet and 40,000 square feet	1000.00
Buildings between 40,000 square feet and 60,000 square feet	1500.00
Buildings between 60,000 square feet and 80,000 square feet	2000.00
Buildings over 80,000 square feet	2500.00

1. The demand charges are payable prior to meter installation. Pipe size and type of any installation will be determined by the Water Commissioners or their agents. Costs of installation service will be charged to applicant separate of the demand charge. Costs will be paid before the water is turned on.
2. Costs of new service installations from the water main into the unit, including meter, will be paid for by the owner or applicant before water will be turned on.
3. No person will connect, or cause to be connected, any service pipe with the main or any distributing pipes, except by order of the Water Commissioners made on such application for new service. Permanent outside sprinkler system may be installed in conformance with regulations adopted as of September 8, 1997.
4. Periodic inspection of pipes to the meter may be made by the Water District personnel. When equipment is found defective all payment for the necessary repairs between the property line and the meter will be assessed to the owner. Persons allowing their meter to be damaged by frost or otherwise will be held responsible therefore. The District will keep meters in repair from ordinary derangements.
5. All apparatus and all places supplied with water must be accessible at all reasonable times to the inspection of the Commissioners or their agents.
6. Any alteration made to any service within the Acton Water District may only be made by the Acton Water District, or authorized agents of the Water District.

7. The Water District will not in any way, nor under any circumstances, be held liable or responsible to any person or persons for any loss or damage from any excess or deficiency in the pressure, volume or supply of water, due to any cause whatsoever. The Water District will undertake to use all reasonable care and diligence to avoid interruptions and fluctuations in the service, but cannot and does not guarantee that such will not occur.
8. The Water District will not be responsible for damages caused by dirty water resulting from the opening or closing of any gates for repairs or any other reasons, the use of hydrants, or the breaking of any supply lines.
9. The Water District will endeavor to give due notice to as many of the consumers affected as time and character of the work permit whenever it may be necessary to shut off the supply from any section of the District to make repairs or changes or because of broken main, and will as far as practicable, use every effort to prevent damage or inconvenience; but failure to give such notice will not involve the Water District in any responsibility or liability for damage arising from the shutting off of any supply or any subsequent conditions arising therefrom.
10. The Water District reserves the right at any time without notice to shut off the water supply for purpose of making repairs, extensions, or other reasons, and all consumers having boilers or other appliances on their premises are hereby warned against danger of collapse from these sources and are urged to provide safety devices for their own protection. In any event the District expressly stipulates that there shall be no liability for damages resulting therefrom.
11. The Water District will not assume any liability for conditions in the consumer's plumbing or appliances, which may be the cause of trouble, coincident with, or following repairs made to any part for the supply system by the District.
12. Service pipes or fixtures of any description, that are connected with the mains of the Water District, will not under any circumstances be connected with any other sources of water supply.
13. The Water Commissioners, or their agent reserve the right to shut off water for the purpose of making alterations or repairs. A water service may be shut off from any taker for non-compliance with the Rules and Regulations, for non-payment of the water rates and for violation of Massachusetts General Laws relating to water supply. When water has been shut off because of disregard of rules or non-payment of rates it will be turned on again when the Commissioners, or their agent are satisfied that there will be no further cause of complaint and on the payment of twenty-five dollars. With the approval of the Department of Environmental Quality Engineering (Chapter 40, Section 41A of the Massachusetts General Laws), the Commissioners, or their agent reserve the right to restrict the use of water if necessary in any manner deemed appropriate.
14. The fire department will have control of the hydrants in case of fires and for necessary practice. In no other case will any persons be allowed to handle hydrants or other waste apparatus without permission of the Water Commissioners, or their agent.
15. No water taker will be allowed to supply water to others, except by special permit from the Board of Water Commissioners, or their agent and found doing so without a permit, the supply will be shut off.
16. Owners should notify the Water District to shut off water if the building becomes vacant. Water will be turned on again when the owner notifies the Water District, and upon the payment of twenty-five dollars for turn-on.
17. Water bills and repairs of existing services, must be paid in full within 30 days of the billing date. All bills for new installations, including supplies and labor must be paid in full prior to the water service turn-on.

18. The water may be turned off with proper notice when bills for water remain unpaid for fifteen days after they become due, thirty days from the date of issue. Owners of premises will be held responsible for the water bills of their tenants. Unpaid water bills are a lien on real estate, and collections may be made on the sale of the property: Massachusetts Legislature, Acts of 1923, Chapter 391.
19. Any person who shall remove, change, alter or willfully damage or injure any meter will be liable for all damages. Any change in meter location will be done under the direction of the District Manager or authorized District personnel.
20. Voted: That the District amend the By-Laws by adding a new section ten which reads as follows: "Any person violating any order restricting water use imposed by a vote of the Commissioners will be fined not more than \$200.00 for each offense, which will inure to the District for such uses as the Commissioners may direct. Fines will be recovered by the indictment or on a complaint before the District Court, or by non-criminal disposition in accordance with section twenty-one D of Chapter 40 of the General Laws. Every day that such violation continues constitutes a separate offense."
21. The District Manager, or his authorized agent, will be empowered by the Commissioners to confer with the owner to establish the number of units, measured by a given meter, to which the following rate structure will apply. The break points of the inclining block rate structure will then be multiplied by the agreed upon number of units to determine the appropriate charges.
22. Beginning July 1, 1997, the Acton Water District will be issuing two (2) bills per year. Meter reading will begin the first week in September and the first week in March. Bills will be mailed as soon as reading is complete, but no later than the first week in October and the first week in April. All bills will be based upon actual readings and all minimum charges have been eliminated. The following inclining block rate structure has been adopted, and will go into effect immediately following the final billing cycle under the old system which will be completed in April of 1997.

0 - 500 cu. ft.	billed at	.015 pr cu. ft.
501 - 5000 cu. ft.	billed at	.022 pr cu. ft.
5001 - 10000 cu. ft.	billed at	.024 pr cu. ft.
10001 - and up cu. ft.	billed at	.025 pr cu. Ft.

All owners having used less than 100 cubic feet of water will be billed at the next actual water billing cycle.

There is a minimum charge of \$5.00 for closing costs on property transfers where there has been no water use from the date of the last actual water bill.

Water rates, demand charges, rental fees, hydrants and sprinklers and other charges imposed by the District will be determined by vote of the Commissioners at a regular or special meeting of the Commissioners.

23. If a meter is out of order and fails to register, the consumer will be charged at the average daily consumption as shown by the meter when in order. An average will be taken of the last three (3) corresponding readings.
24. Any and all penalties for violations of these regulations or arrearages for non-payment of water rates or charges may be collected as authorized by law in a civil action.
25. The Commissioners will regulate the use of water in such manner as they deem for the best interest of the District, fix and collect prices and rates for the use thereof, prescribe the time and manner of the payment of such prices and rates. The Commissioners will have exclusive charge and control of the water department and water system, subject to all lawful by-laws, and subject to such instructions as the District may from time to time impose by its vote.

26. The Water District will have an inspector on sites where new water main and necessary fittings are installed in new developments, private roads, business and commercial sites. The Water District will charge an hourly fee which will be paid to the Water District by the owner, contractor or developer. All materials used will meet the specifications of the Water Supply District of Acton.
27. No person will turn on or tamper with a water main or hydrant or other device used for water supply. Any person violating said section will be fined not more than \$200.00 for each offense, which will inure to the District or recovered by indictment or on complaint before the District Court or by non-criminal disposition in accordance with Section 21D of Chapter 40 of the General Laws. Every day that such violation continues will constitute a separate offense. This section will not curtail the fire department or Water District in the normal course of providing fire protection or water supply.
28. Any person making application for water use having a design demand in excess of 5,000 gallons per day, will submit a concept plan with sufficient information so that the Water District can generate a Water Impact Report. This report will: 1) define the plans impact on the District's current/future water demand and existing water supply system, and 2) stipulate conditions that the applicant will meet to mitigate the effects of this impact. The Water Impact Report will be reviewed and approved by the Water Commissioners. Costs associated with generating the Water Impact Report will be borne by the applicant.
29. All new Industrial and Commercial Establishments attached to the Acton Water System may be required to install, at the service entrance and immediately downstream of the meter, a Reduced Pressure (RP) Back Flow Device. A survey of the new industrial or commercial establishment will determine the need for said device. The device must be approved by the Acton Water District, and all costs will be paid by the owner/s, and or the person/s to whom the bills are so assigned.
30. Effective September 8, 1997, the Board of Water Commissioners voted to remove the moratorium on underground lawn sprinkler systems.
31. Underground Lawn Sprinkler Regulations Effective September 8, 1997
 - i. All automatic lawn watering systems, connected to the public water supply, must be equipped with a timing device that can be set to make the system conform to the District's odd/even outdoor watering restrictions.
 - ii. All automatic lawn watering systems must be equipped with some type of moisture sensing device that will prevent the system from starting automatically when not needed.
 - iii. All automatic lawn watering systems must be installed with an approved backflow prevention device (Watts 800 or equal). Said device will be inspected initially by the plumbing inspector, and may be inspected periodically after that by water district employees.
 - iv. Any person who now has, or who intends to install an automatic lawn watering system, must notify the Water District office of the existence of said system, or of their intention to install a new system prior to the actual installation. All systems, those currently in existence, as well as any installed in the future, must comply with all the Rules and Regulations adopted on this date.
 - v. Any system not in conformance with the above criteria may be disconnected from the public water supply system.
32. Any new water service or fire line from the water main to a dwelling, building or structure will be in a separate, underground trench. No other utility (i.e., gas, electric, telephone, cable TV) will be in the same trench unless the District Manager determines that the ground conditions prevent a separate trench. In such cases, a suitable plan prepared by a registered professional engineer will be submitted to the District Manager and DigSafe for approval to insure safety and accessibility for repair, replacement or inspection of the lines located in the same trench.

33. Insufficient fund checks will be charged as provided by Section 44 of Chapter 69, Massachusetts General Laws, and the "Rules and Regulations" of the District as adopted December 12, 1994.

Acton Water District Regulations for VOCs

Revised per January 10, 2000 Water Commissioners Meeting

In order to ensure that we provide the highest quality drinking water possible, the Acton Water District is proposing stringent regulations to limit the amount of Volatile Organic Chemicals in water delivered from all our wells. Although the Safe Drinking Water Act and 310 CMR 22.00 (Massachusetts Drinking Water Regulations) have established maximum contaminant levels (MCLs) for these chemicals, we feel confident that we can consistently provide water that is virtually free of VOCs. For customers of the District who are concerned about VOC contamination as a result of pollution from the W.R. Grace or other sites, this should provide an extra measure of safety and confidence.

This regulation has two parts, adoption of Action Levels (ALs), and adoption of a timeline and set of procedure that we will follow should any VOC exceed an AL for a specified period of time. Both parts of this regulation would be substantially more protective of public health than those required by either the state or EPA.

Acton Water District VOC Action Levels

The Acton Water District will set an Action Level of one part per billion (ppb) for all regulated VOCs (those that have MCLs specified by Massachusetts DEP or EPA. These 22 VOCs currently have MCLs that range from 2 ppb to 10,000 ppb, depending upon their health effects. The methodology for VOC analysis requires detection levels of 0.5 ppb or less, so any certified laboratory could accurately report a level of 1 ppb.

If at any time the DEP or EPA sets a new MCL for any VOC, that VOC would automatically fall under these regulations. If at any time the DEP or EPA sets an MCL for a VOC that is lower than 1 part per billion, the lower standard will prevail and become a revised standard for the Acton Water District.

The detection of any VOC at or above state or federal MCLs would require the Acton Water District to follow, in addition to these regulations, all applicable requirements of 310 CMR 22.00.

Action Level Detection: Follow Up Procedures

If at any time one of the attached VOCs is detected at or above 1 part per billion, the District will conduct follow up testing within 10 days of receipt of original results to confirm the test results. If the average of follow up testing and original results are confirmed at greater than 1 ppb, the data will be presented at the next Water Commissioner's meeting. Unless the Commissioners decide that immediate action is warranted, the District will continue to monitor the well for three additional quarters. If, at the end of the third quarter of sampling, the average of the initial results and the three quarters is greater than the Action Level, the District shall develop a Plan of Action.

Action Level Exceedance: Follow Up Procedures

Development of Draft Plan of Action

Within 30 days of discovering an Action Level exceedance, the Water District will develop a draft plan of action that includes:

1. Detailed list of all detections of VOCs for the source(s) in question
2. Anticipated and possible health effects
3. Plans to investigate source of VOCs
4. If multiple VOCs present, anticipated interactive effects
5. Source of VOCs, if known
6. Remediation options with estimated costs/timeframes of each option
7. Recommended option/timeframes, with rationale for recommendation

Development of Final Plan of Action

The draft plan will be presented at special (publicized) Water Commissioner's Meeting where input from registered town voters will be solicited. A copy will be sent to the Board of Health. The plan will then be finalized within 30 days of receipt of comments, and described in the District's next Water Words, in a *Beacon* article, and posted on the District's web site.

By Order of The Acton Water Commissioners
Stephen C. Stuntz, Chairman
Leonard A. Phillips
Ronald R. Parenti