



ACTON WATER DISTRICT

ANNUAL REPORT

for the year ending
December 31, 2003



**Warrant Articles for
the Annual Meeting**

March 17, 2004

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

www.actonh2o.com

Commissioners meet on second and fourth Monday of each month, at
7:30 P.M., 693 Massachusetts Avenue, Acton
The public is welcome to attend

Water District Organization

ELECTED OFFICIALS

Commissioners

| | |
|-----------------------------|-------------------|
| Ronald R. Parenti, Chairman | Term Expires 2004 |
| Stephen C. Stuntz | Term Expires 2005 |
| Leonard A. Phillips | Term Expires 2006 |

District Clerk

| | |
|-----------------------|-------------------|
| Charles E. Orcutt III | Term Expires 2005 |
|-----------------------|-------------------|

District Moderator

| | |
|--------------------|-------------------|
| Richard P. O'Brien | Term Expires 2006 |
|--------------------|-------------------|

APPOINTED OFFICIALS

Finance Committee

| | |
|------------------------------|-------------------|
| William L. Kingman, Chairman | Term Expires 2006 |
| Theodore Jarvis | Term Expires 2004 |
| Charles Bradley | Term Expires 2005 |

District Manager

| | |
|-----------------|-----------------------|
| James L. Deming | Contract Expires 2004 |
|-----------------|-----------------------|

Treasurer & Collector

| | |
|---------------|-------------------|
| Mary J. Bates | Term Expires 2004 |
|---------------|-------------------|

District Counsel

| | |
|-----------------------|-------------------|
| Mary Bassett-Stanford | Term Expires 2004 |
|-----------------------|-------------------|

District Assistant Clerk

| | |
|------------------|-------------------|
| Helen F. Argento | Term Expires 2004 |
|------------------|-------------------|

Commissioners Secretary

Auditor

| | |
|-------------------------------|-------------------|
| Maureen Waters Mara, CPA, MST | Term Expires 2004 |
|-------------------------------|-------------------|

Water District Staff

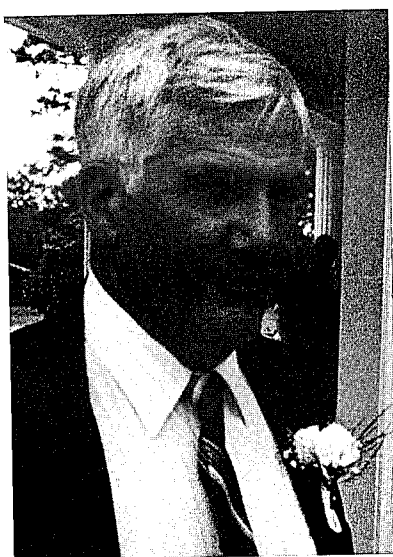
| | |
|--------------------------|--|
| Jane Ceraso | Environmental Manager |
| Elaine Lawson | Secretary/A/P Bookkeeper |
| Elizabeth Quintiliani | A/R Bookkeeper/Secretary |
| Robert Koch | General Foreman |
| Stephen G. Peterson, Jr. | Assistant Foreman/Water Supply Treatment |
| Patrick DeCesare | Assistant Foreman/Water Distribution |
| Paul McGovern | Operator/Pump Stations |
| Charles Rouleau | Operator/Distribution |
| Andrew Peterson | Operator/Distribution |
| James Trippier | Operator/Distribution |
| Robert P. Dionne, Jr. | Operator/Distribution |
| Robert Murch | MIS Coordinator |



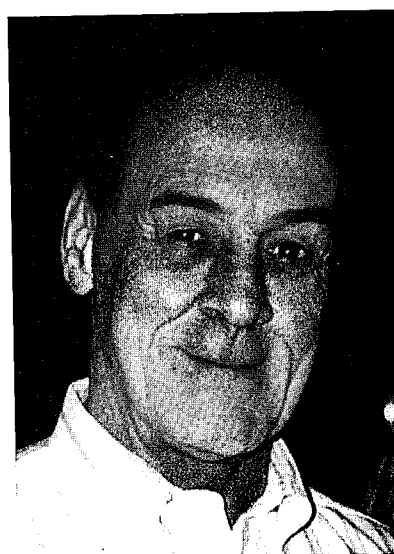
Seated in front: Rob Dionne, Bob Murch, Beth Quintiliani, Jim Deming, Charlie Rouleau.
Back row: Jane Ceraso, Pat DeCesare, Stephen Peterson, Mary Jo Bates, Jamie Trippier, Bob Koch, Andrew Peterson, Paul McGovern

Dedication

This past year we lost two former leaders of the Acton Water District. Both of these gentlemen dedicated substantial portions of their lives to the District, and we will all be eternally grateful for their efforts. Together they shaped the direction of the District for almost 30 years and we continue to reap the benefits of those decisions today. Their wisdom and guidance will always be remembered.



Stephen Scribner
"Steve"
 AWD Superintendent 1966–1980



John MacLeod
"Jock"
 AWD Manager 1980–1996

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-The Clubhouse at Nagog Woods, Nonset Path
Precincts 2 & 6-Conant School, 80 Taylor Road
Precincts 3, 4 & 5-Blanchard Auditorium, R.J. Grey Jr. High School
Acton, Massachusetts

On Tuesday, March 30, 2004
between 7:00 A.M. and 8:00 P.M.

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

Commissioner for three years.

Water District Elections 2003

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

Tuesday, April 1, 2003
Held at the 6 precincts of the Town of Acton.
The polls were open from 7 AM to 8 PM.

| | |
|---------------------------|------|
| Number of Ballots cast: | 7139 |
| Commissioner for 3 years: | |
| Leonard A. Phillips | 5109 |
| Moderator for 3 years: | |
| Richard O'Brien | 5269 |

A TRUE COPY ATTEST:

Charles E. Orcutt III
District Clerk



Water Supply District of Acton

WARRANT

March 17, 2004

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

Acton Public Library
486 Main Street
Acton, Massachusetts

Wednesday, March 17, 2004
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, 2004, 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 \$50,000 to purchase a new 1.5 or 2 ton dump truck, with plow, and to authorize the Commissioners to trade or sell the District's 1997 GMC K35 with plow 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 \$19,000 to purchase a new van and to authorize the Commissioners to trade or sell the District's 1996 Ford Econ Van, or to take any other action relative thereto.

Article 7. To see if the District will vote to transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$60,000 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 8. 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 \$8,589.63 Article 8, of the Annual Meeting of March 19, 2003, purchase of a four-wheel drive utility pick-up truck.

B. Unexpended balance in the sum of \$87.80 Article 5, of the Special Meeting of November 18, 1999, purchase of SCADA system.

C. Unexpended balance in the sum of \$30.00 Article 16, of the Annual Meeting of March 20, 2002, pilot study for treatment at Kennedy and Marshall wells.

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 \$10,000 for the purpose of repairing emergency water main breaks, 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 \$175,000 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 12. To see if the District will vote to transfer from Surplus Revenue the sum of \$45,000 for the complete removal of existing paint and for priming and repainting of the Great Hill water storage tank, 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 \$15,000 for the purpose of conducting a leak detection survey, or to take any other action relative thereto.

Article 14. To see if the District will vote to authorize the Treasurer, with the approval of the Commissioners to transfer the following unexpended balances remaining after the completion of the new water main project projects authorized by vote of the District at the Annual Meeting of March 20, 2002 by transferring \$12,000 to the Bond Account and \$8,509.72 to Surplus Revenue, or to take any other action relative thereto.

Article 15. To see if the District will vote to authorize the Commissioners to negotiate an agreement, on whatever terms and conditions favorable to the District that the Commissioners determine, with Omni Development, LLC, or its successors and assigns, to potentially supply water, to a proposed development containing 49.41 acres in Westford, MA consisting of up to 35 single family homes, or up to 250 apartments or up to 150 condominiums and to submit to the Massachusetts Legislature a special act to amend Chapter 326 of the Acts of 1912, to be effective upon acceptance by the voters of the District, that would permit the District to extend its current legal boundaries in order to provide domestic water service to that land located in Westford, 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 26th day of January in the year two thousand and four.

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

A TRUE COPY ATTEST:

Charles E. Orcutt III
District Clerk

FY 2004 Appropriation and Six Month Expenditures

FY 2005 Anticipated Appropriation and Estimated Revenue

| Account Name | FY 2004 Appropriation | July-Dec 2003 Actual | FY 2005 Appropriation |
|----------------------------|--------------------------|-------------------------|--------------------------|
| Expense | | | |
| Accounting | 5,000.00 | 5,000.00 | 1,000.00 |
| Audit | 13,500.00 | 13,500.00 | 13,500.00 |
| Auto Maintenance/Fuel | 25,000.00 | 12,540.81 | 25,000.00 |
| Backflow/Cross Connection | 2,000.00 | 0.00 | 2,000.00 |
| Bank Fees | 2,000.00 | 322.75 | 2,000.00 |
| Bonds, Interest, Fees | 270,462.50 | 148,406.25 | 270,468.25 |
| Chemicals | 32,000.00 | 5,589.15 | 30,000.00 |
| Computer Maintenance | 18,000.00 | 664.00 | 15,000.00 |
| DEP Withdrawal | 6,500.00 | 0.00 | 6,500.00 |
| Employee Education | 12,000.00 | 6,334.63 | 15,000.00 |
| Engineering | 12,000.00 | 550.00 | 10,000.00 |
| Health/Life Insurance | 180,000.00 | 88,836.41 | 203,400.00 |
| Hydrants | 10,000.00 | 10,000.00 | 10,000.00 |
| Insurance | 36,300.00 | 33,714.60 | 41,745.00 |
| Laboratory Analysis | 26,000.00 | 10,697.40 | 26,000.00 |
| Legal | 20,000.00 | 6,062.25 | 20,000.00 |
| Lights/Power/Fuel | 255,000.00 | 102,855.84 | 270,000.00 |
| Maintenance & Operations | 102,000.00 | 39,404.87 | 102,000.00 |
| Middlesex Retirement | 69,767.00 | 34,883.50 | 75,215.00 |
| Meters | 1,000.00 | 0.00 | 1,000.00 |
| Office Supplies | 15,000.00 | 8,038.59 | 15,000.00 |
| Paving | 12,000.00 | 8,008.92 | 12,000.00 |
| Petty Cash | 1,000.00 | 400.00 | 1,000.00 |
| Postage | 7,500.00 | 1,700.00 | 7,500.00 |
| Reserve Fund | 30,000.00 | 0.00 | 30,000.00 |
| Salaries & Wages | 880,000.00 | 428,754.87 | 915,000.00 |
| Telephone | 20,000.00 | 6,595.39 | 20,000.00 |
| Information Reports | 22,000.00 | 457.00 | 22,000.00 |
| Total | 2,086,029.50 | 973,317.23 | 2,162,328.25 |
| Revenue | | | |
| Water Revenue | 1,722,874.50 | 1,154,772.81 | 1,814,173.25 |
| Fire Protection Sprinklers | 15,375.00 | 14,669.01 | 15,375.00 |
| Rent/Lease | 90,780.00 | 49,387.56 | 90,780.00 |
| Repairs/Installation | 45,000.00 | 14,345.23 | 30,000.00 |
| Cross Connection | 12,000.00 | 8,481.55 | 12,000.00 |
| Demand Fees | 200,000.00 | 27,720.00 | 200,000.00 |
| Total | 2,086,029.50 | 1,269,376.16 | 2,162,328.25 |

**Report of the Treasurer
Audited Account Balances
June 30, 2003**

| | |
|------------------------------|-------------------|
| Sovereign Bank A/P | 59,829.95 |
| Sovereign Money Market | 75,935.35 |
| MMDT | 912,730.68 |
| Middlesex Savings | 5,573.95 |
| Citizens Bank | 6,483.04 |
| First Federal Savings | 17,113.01 |
| First Trade Union | 107,223.51 |
| UniBank | 124,782.10 |
| Certificates of Deposit: | |
| Peoples Savings | <u>100,000.00</u> |
| Total | 1,409,671.59 |

**Report of the Collector
Audited Account Balances
June 30, 2003**

| | |
|-----------------------------------|------------------|
| Accounts Receivable June 30, 2002 | 68,487.83 |
| Charges | 1,933,913.82 |
| Interest Charges | 8,025.89 |
| Refunds | <u>8,146.51</u> |
| | 2,018,574.05 |
| Payments | 1,936,359.62 |
| Abatements | 28,169.90 |
| Adjustments | 1,379.54 |
| Outstanding June 30, 2003 | <u>52,664.99</u> |
| | 2,018,574.05 |

**Long Term Debt
June 30, 2003**

| Description | Original Amount | Interest rate | Date of Issue | Date of Maturity | Balance |
|----------------|--------------------|---------------|------------------|---------------------|------------|
| Conant Well II | 800,000.00 | 4.75% | 6/15/1998 | 6/15/2005 | 255,000.00 |

Respectfully submitted,
Mary J. Bates
Treasurer/Collector

Report of the Commissioners

The Commissioners are pleased to make the following report for the calendar year of 2003 to the members of the Acton Water District. As the elected oversight board of the Water District, it is our responsibility to establish policy and provide long-range guidance. Our decisions are strongly influenced by the advice of the District manager, Finance Committee, and District Counsel, all of whom attend our regular bi-monthly meetings. As always, the daily maintenance of the water distribution system is under the direct control of District Manager James Deming, and his capable staff.

Following several years of sub-normal precipitation, last winter's heavy snowfall and the subsequent summer rain provided a much-needed recharge of the District's underground aquifers. The storage capacity of our aquifer system is substantial, but finite, and the aggregate pumping capacity of the 7 well fields operated by the District is likewise limited. In addition to these physical restrictions on capacity and flow the District is also obligated to keep the average daily extraction level below 1.93 million gallons/day, as mandated by the Massachusetts Department of Environmental Protection (DEP). Water consumption for summer lawn watering was unusually low in 2003, and resulted in a daily-average pumping rate of only 1.54 million gallons per day (mgd). As indicated in the illustration below, however, recent extraction rates are very close to the state-mandated ceiling. These circumstances drive the outdoor water-use restrictions, which are imposed by the Water District every summer.

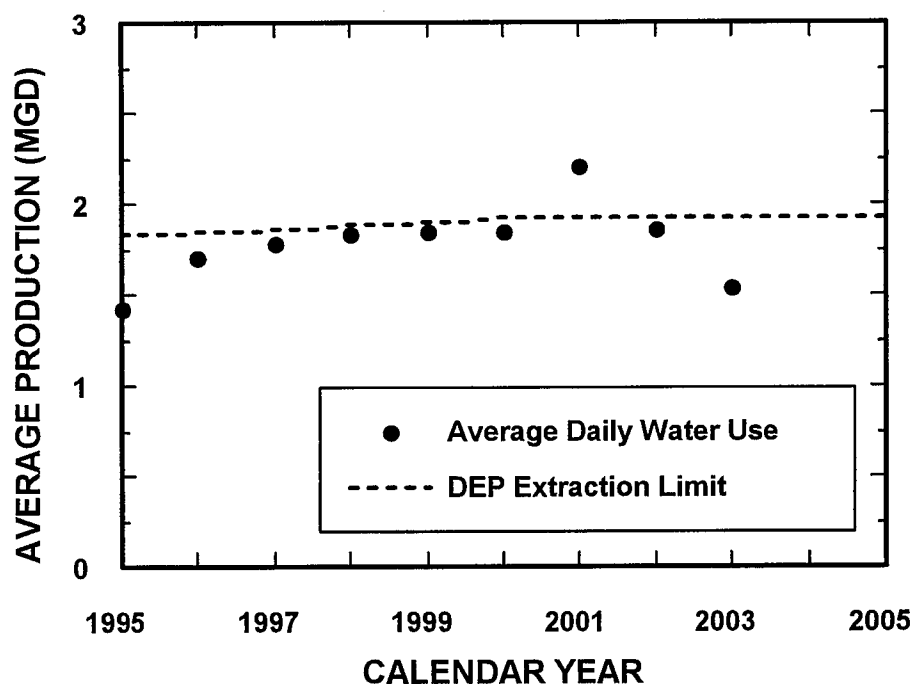


Figure 1. Daily water use plotted as a fiscal-year average. The current DEP-mandated pumping restriction is 1.93 million gallons per day.

The issues of primary concern to the members of the Water District this past year were water cost and water quality. In September 2002, the Commissioners voted to adopt a new progressive rate structure, which is intended to decrease the average cost to smaller households, discourage heavy water consumption for lawn watering, and improve the District's annual revenue. Although many consumers experienced increases as large as 25% in this year's water bill, as discussed in last year's report of the District Manager this action represents the first substantial modification of the District's rate structure since 1995. We do not anticipate a need for an additional rate increase within the next three years.

Questions regarding water contamination were recently raised following the appearance of several Boston Globe articles last fall that reported trace levels of MTBE (methyl tertiary butyl ether) in Massachusetts water supplies. Although this substance is not currently regulated by either federal or state agencies, the Water District is very concerned about this potential problem. The District's Environmental Manager, Jane Ceraso, is following this issue closely, and all of our wells have been tested within the past few months. Tests of water quality after standard aeration treatment show levels of MTBE to be near or below the detection limit of the existing test protocols. The District is actively investigating the efficacy of enhancements to the existing aeration towers, and is evaluating legal remedies to recover the costs of these capital improvements.

The Commissioners wish to thank Jim Deming, the office staff, and service crew for their outstanding work during the past year. We would also like to give special recognition to Helen Argento, who is retiring this year after 11 years of service on the District's office staff.

Respectfully submitted

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

Report of the District Manager

The following report covers the activities of the District for 2003.

As of December 31, 2003

- There are a total of 5,598 water meters within the District.
- There are a total of 7,778 housing units that those water meter service.
- There were 473 old meters that were replaced with transponder type water meters during 2003.
- Out of the 5,598 water meters within the District, 3,304 now have the new transponder type water meters.
- In 2003 there are 19 new services, 16 of them are Single Family Homes and 3 are multi-family services. The 3 multi-family services have 53 Housing Units.
- There are 1,058 hydrants within the district.
- We repaired or replaced 29 fire hydrants.
- There are 106 miles of water main that is 6" or greater.

Water mains installed in 2003 in the following areas:

Acton Boxboro Regional High School Main Extension
Powdermill Road, High Street, Knox Trail Extension
Hayward Road Extension
Squirrel Hill Extension
Skyline Drive

Total gallons pumped in 2003 – 565,748,757 gallons

Report of the District Manager

Each year I write a report and try to address a specific topic, or issue, that has some particular significance during that time period. Water demand and supply, rate increases, new construction projects, and outdoor water use have been some of the topics in the past.

From year to year the focus may change from one topic to another. What doesn't change, and what I'd like to recognize this year, are the efforts made by the many elected and appointed officials and employees of the Acton Water District.

Policies are set by, and the ultimate authority for all operations is given to, a three member elected Board of Water Commissioners who meet two evenings a month throughout the course of the year. We are fortunate to have very knowledgeable Commissioners who have a long history with the District. All of them have served for at least 15 consecutive years.

In addition to the Water Commissioners, the voters elect a Clerk and a Moderator. A three member Finance Committee is appointed and an Auditor and District Counsel are employed. All of these people have contributed much of their time and experience to the positive growth and management of the Acton Water District. You can find all of their names on page 2 of the report.

We also have 14 full time employees. Some are relatively new; others have spent many years in service to the District. The nature of the business of public water supply is that the day to day efforts of these people go largely unnoticed. It's only when there is an interruption of service, or when the quality of service is compromised, that anyone even gives a second thought to what is normally taken for granted. The cover of this years report has on it a picture of the full time employees of the District. I would like to thank them for all of their efforts.

This year, two of our long time employees have left. Helen Argento who worked in the office as our accounts receivable clerk has retired. We all wish her a lengthy and healthy retirement. Deb Pyrro, our accounts payable clerk has also left to enjoy a more hospitable climate in Arizona. We wish her the very best as well.

Throughout the course of the year the Acton Water District also receives assistance from the many different Town departments and their employees. I would also like to take this opportunity to thank them as well.

Finally, I want to thank the residents for their support, involvement and understanding throughout the year. All of us involved in the operation of the Acton Water District will continue to do our best to serve you.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Deming', with a large, stylized initial 'J'.

James Deming

Report of the Finance Committee for 2003

The members of the committee are appointed by the Water District Moderator for a three year term with one term expiring each year. One member attends each meeting of the Water Commissioners. The Committee reviews the Annual Budget and makes recommendations on each financial article at the Annual and Special District meetings. It monitors and makes recommendations on all financial matters of the District to the Commissioners.

The Committee also monitors the W.R. Grace Fund which is used to cover expenses needed to improve water quality. The investment portfolio is managed by Brown Brothers Harriman and Co. and has had a net positive return over the past three years.

The District Audited Financial Statements and Accompanying Notes reflect the following:

The prudence of increasing the water rates.

The continued judicious use of the certified "free cash" for capital projects.

The District was able to utilize historically low interest rates to borrow \$650,000 for four years for water main construction at a 1.98% interest rate for one year and the rollover balance of \$455,000 at 1.39%.

The Water District adopted "written" procedures, in accordance with the State's General Laws, for the disposal of an item with an estimated value of \$5,000 or less that no longer serves any useful value to the District.

During the past year there have been articles in the newspaper concerning:

1) The Acton Health Insurance Joint Trust. The Finance Committee and Commissioners voted, effective June 30, 2003, to withdraw the District's minority interest with the town of Acton and the Acton Boxborough Regional School District. The District anticipates a cost savings to both the District and its employees through membership in the Massachusetts Interlocal Insurance Agency.

2) Middlesex Retirement System. All employees of the District are members of this system. It has been difficult over the years to obtain operating financial statements and comparative performances for the investments of the system House Bill 3584, currently before the Legislature's Joint Committee on Public Service, would expand and revamp the System's five member board to make it more accountable to the contributors to the Retirement System.

We extend our appreciation to the Commissioners, District Manager, Treasurer, and staff of the Water District for their continued support to our committee. Especially to Debra Pyrro, who for 11 years has faithfully transcribed the minutes of our meetings. We wish her happiness in her new Arizona home.

Respectfully submitted,

William L. Kingman, Chairman
Theodore Jarvis
Charles E. Bradley

Report of the Environmental Manager

This past year brought several events that highlighted the need to continue to aggressively protect Acton's groundwater sources. The Massachusetts Department of Environmental Protection's (DEP's) Source Water Assessment and Protection (SWAP) program finalized its report for Acton. The SWAP Program assesses the susceptibility of public water supplies to potential contamination by chemicals and microbiological pathogens. The DEP assessment assigned a susceptibility ranking of "high" to the area surrounding each of the Acton Water District's wellfields. The report notes the key issues of concern are residential septic systems, transportation corridors, and the presence of hazardous materials contamination sites. The Acton Water District is prioritizing its future source water protection efforts in these categories.

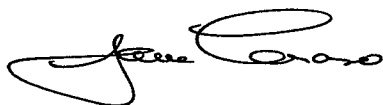
The issue of methyl-tertiary butyl ether (MTBE) contamination of groundwater has been a focus for us recently. MTBE is a fuel oxygenate that has been added to gasoline since the 1980s. It is estimated that MTBE contamination has affected almost twenty percent of Massachusetts public water supplies.

The School Street and Assabet wellfields have shown low levels of MTBE in the raw water, with the highest level (13 parts per billion) detected in 2000. Much of this MTBE is removed by the aeration treatment systems prior to distribution. MTBE does not yet have a health-based standard, but the Massachusetts DEP has adopted a guideline of seventy parts per billion. It is likely that a standard for MTBE will be adopted by the EPA or DEP in the future, and we are currently obtaining cost estimates for upgrades of our aeration towers to remove MTBE to below our Volatile Organic Chemical standard of 1 part per billion.

Additionally, we continue to work closely with Grace, DEP, EPA, and ACES on the cleanup process for the WR Grace Superfund site in town. We continue to push for a stringent cleanup at this site and a process that returns the groundwater to a fully useable condition. You are encouraged to attend upcoming public meetings that will examine final groundwater remediation options.

The Acton Water District has long recognized the susceptibility of its groundwater sources, and will continue to work closely with the town and state to maximize protection for all wellfields. We are now fully in compliance with the DEP's Source Water Protection Regulations. Through grant funds awarded by DEP, we have compiled an assessment of high-risk land uses in each groundwater protection area, and will continue aggressive efforts to protect our wellfields from any past and future potential threats to water quality.

Respectfully submitted,



Jane Ceraso
Environmental Manager

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

JUNE 30, 2003

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, 2003, 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, 2003, or the results of its operations or the changes in its fund balances for the year then ended.

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, 2003, 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
August 15, 2003

WATER SUPPLY DISTRICT OF ACTON

Combined Statement of Assets, Liabilities and Fund Balances -

All Fund Types and Account Groups - Statutory Basis

June 30, 2003

| | <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 | \$1,284,891 | \$124,782 | \$377,824 | | \$1,787,497 |
| Investments | | | 2,223,534 | | 2,223,534 |
| Accounts Receivable | 52,665 | | | | 52,665 |
| Less Reserve for Uncollectible Receivables | (52,665) | | | | (52,665) |
| Due from General Fund | | 498,706 | | | 498,706 |
| Amount to be Provided for Long Term Debt | | | | \$905,000 | 905,000 |
| Total Assets | \$1,284,891 | \$623,488 | \$2,601,358 | \$905,000 | \$5,414,737 |

*LIABILITIES AND FUND BALANCES**LIABILITIES*

| | | | | | |
|--------------------------------|-----------|---|---|-----------|-----------|
| Current Portion Long Term Debt | | | | \$775,000 | 775,000 |
| Long Term Debt | | | | 130,000 | 130,000 |
| Due to Capital Projects Fund | \$498,706 | | | | 498,706 |
| Total Liabilities | 498,706 | 0 | 0 | 905,000 | 1,403,706 |

FUND BALANCES

| | | | | | |
|--|-------------|-----------|-------------|-----------|-------------|
| Unreserved | 786,185 | | | | 786,185 |
| Reserved for Capital Projects | | \$623,488 | | | 623,488 |
| Reserved for W.R. Grace | | | \$2,601,358 | | 2,601,358 |
| Total Fund Balances | 786,185 | 623,488 | 2,601,358 | 0 | 4,011,031 |
| Total Liabilities and Fund Balances | \$1,284,891 | \$623,488 | \$2,601,358 | \$905,000 | \$5,414,737 |

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, 2003

| | <i>GENERAL FUND</i> | <i>CAPITAL PROJECTS</i> | <i>TOTAL (MEMO ONLY)</i> |
|--|-------------------------|-----------------------------|------------------------------|
| REVENUES | | | |
| Water Rates | \$1,595,116 | | \$1,595,116 |
| Water Services | 332,491 | \$2,500 | 329,991 |
| Interest Income | 17,047 | 3,768 | 20,815 |
| Total Revenues | 1,944,654 | 6,268 | 1,945,922 |
| EXPENDITURES | | | |
| Capital Project Expenditures | 0 | 750,502 | 750,502 |
| Salaries and Wages | 762,284 | 0 | 762,284 |
| Lights, Power and Fuel | 189,708 | 0 | 189,708 |
| Bonds, Interest and Fees | 137,813 | 0 | 137,813 |
| Health and Life Insurance | 103,159 | 0 | 103,159 |
| Maintenance and Operations | 93,797 | 0 | 93,797 |
| Middlesex County Retirement | 64,831 | 0 | 64,831 |
| Insurance | 32,291 | 0 | 32,291 |
| Auto Maintenance and Fuel | 20,953 | 0 | 20,953 |
| Chemicals | 17,639 | 0 | 17,639 |
| Legal | 17,262 | 0 | 17,262 |
| Information Reports | 16,392 | 0 | 16,392 |
| Office Supplies | 14,212 | 0 | 14,212 |
| Audit | 13,500 | 0 | 13,500 |
| Telephone | 13,173 | 0 | 13,173 |
| Laboratory Analysis | 12,543 | 0 | 12,543 |
| Education | 10,564 | 0 | 10,564 |
| Hydrants | 10,000 | 0 | 10,000 |
| Postage | 7,500 | 0 | 7,500 |
| Reserve Fund | 5,775 | 0 | 5,775 |
| D.E.P. Withdrawal and Fees | 5,132 | 0 | 5,132 |
| Paving | 4,216 | 0 | 4,216 |
| Computer Maintenance | 3,821 | 0 | 3,821 |
| Engineering | 3,000 | 0 | 3,000 |
| Bank Fees | 1,515 | 0 | 1,515 |
| Meters | 1,000 | 0 | 1,000 |
| Petty Cash | 806 | 0 | 806 |
| Back Flow/Cross Connection | 450 | 0 | 450 |
| Accounting | 0 | 0 | 0 |
| Total Expenditures | 1,563,336 | 750,502 | 2,313,838 |
| REVENUES OVER (UNDER) EXPENDITURES | 381,318 | (744,234) | (367,916) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds of Bonds | 0 | 650,066 | 650,066 |
| Sale of Property | 0 | 4,200 | 4,200 |
| Transfers to General Fund from Capital Projects Fund | 69,972 | (69,972) | 0 |
| Transfers from General Fund to Capital Projects Fund | (450,000) | 450,000 | 0 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | 1,290 | 290,060 | 286,350 |
| Fund Balance - Beginning of Year | 784,895 | 333,428 | 1,118,323 |
| Fund Balance - End of Year | \$786,185 | \$623,488 | \$1,404,673 |

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 -

Budget and Actual - General Fund - Statutory Basis

For the Year Ended June 30, 2003

| | | | <i>VARIANCE FAVORABLE (UNFAVOR- ABLE)</i> |
|--|---------------|---------------|---|
| | <i>ACTUAL</i> | <i>BUDGET</i> | |
| REVENUES | | | |
| Water Rates | \$1,595,116 | \$1,582,439 | 12,677 |
| Water Services | 332,491 | 363,155 | (30,664) |
| Interest Income | 17,047 | | 17,047 |
| Total Revenues | 1,944,654 | 1,945,594 | (940) |
| EXPENDITURES | | | |
| Salaries and Wages | 762,284 | 855,000 | 92,716 |
| Lights, Power and Fuel | 189,708 | 225,000 | 35,292 |
| Bonds, Interest and Fees | 137,813 | 271,813 | 134,000 |
| Health and Life Insurance | 103,159 | 118,950 | 15,791 |
| Maintenance and Operations | 93,797 | 94,000 | 203 |
| Middlesex County Retirement | 64,831 | 64,831 | 0 |
| Insurance | 32,291 | 33,000 | 709 |
| Auto Maintenance and Fuel | 20,953 | 21,000 | 47 |
| Chemicals | 17,639 | 35,000 | 17,361 |
| Legal | 17,262 | 20,000 | 2,738 |
| Information Reports | 16,392 | 17,000 | 608 |
| Office Supplies | 14,212 | 15,000 | 788 |
| Audit | 13,500 | 13,500 | 0 |
| Telephone | 13,173 | 20,000 | 6,827 |
| Laboratory Analysis | 12,543 | 18,000 | 5,457 |
| Education | 10,564 | 12,000 | 1,436 |
| Hydrants | 10,000 | 10,000 | 0 |
| Postage | 7,500 | 7,500 | 0 |
| Reserve Fund | 5,775 | 30,000 | 24,225 |
| D.E.P. Withdrawal and Fees | 5,132 | 6,000 | 868 |
| Paving | 4,216 | 12,000 | 7,784 |
| Computer Maintenance | 3,821 | 20,000 | 16,179 |
| Engineering | 3,000 | 12,000 | 9,000 |
| Bank Fees | 1,515 | 5,000 | 3,485 |
| Meters | 1,000 | 1,000 | 0 |
| Petty Cash | 806 | 1,000 | 194 |
| Back Flow/Cross Connection | 450 | 2,000 | 1,550 |
| Accounting | 0 | 5,000 | 5,000 |
| Total Expenditures | 1,563,336 | 1,945,594 | 382,258 |
| REVENUES OVER EXPENDITURES | 381,318 | 0 | 381,318 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to General Fund from Capital Projects Fund | 69,972 | 69,972 | 0 |
| Transfers from General Fund to Capital Projects Fund | (450,000) | (450,000) | 0 |
| Excess of Revenues and Other Sources Over (Under) | | | |
| Expenditures and Other Uses | 1,290 | (380,028) | 381,318 |
| Fund Balance - Beginning of Year | 784,895 | 784,895 | 0 |
| Fund Balance - End of Year | \$786,185 | \$404,867 | \$381,318 |

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, 2003

W.R. GRACE
FUND

REVENUES

| | |
|---|----------------|
| Dividend and Interest Income | \$80,030 |
| Net Increase in the Fair Value of Investments | 119,091 |
| Wellhead Protection Grant Reimbursements | <u>10,364</u> |
| Total Revenues | <u>209,485</u> |

EXPENDITURES

| | |
|-----------------------------------|---------------------------|
| Investment Management Fees | 20,920 |
| Conant I Pump/Motor | 1,129 |
| Maintenance and Operations | 63,072 |
| School Street Treatment | 2,665 |
| Scribner Wellfield Rehabilitation | <u>500</u> |
| Total Expenditures | <u>88,286</u> |
| Revenues Over Expenditures | 121,199 |
| Fund Balance - Beginning of Year | <u>2,480,159</u> |
| Fund Balance - End of Year | <u><u>\$2,601,358</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, 2003

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 that 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.

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.

The District intends to report next year's financial statements (June 30, 2004) in conformity with Governmental Accounting Standards Board Statement Number 34 (GASB 34), which will include, among other disclosures, capital assets as of the beginning and end of the year.

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.

Mara & Associates, PC
Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2003

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

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.

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, 2003, the funds were invested 46% in equities, 41% in fixed income obligations and 13% in cash equivalents.

The W.R. Grace Fund investments are carried at fair value. During the year ended June 30, 2003, the District realized a net gain of \$62,721 from the sale of investments. The unrealized gain on investments held at year end was \$56,370. The net increase in the fair value of investments during the year was \$119,091. 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, 2003, \$498,706 is due to the Capital Projects Fund from the General Fund.

Mara & Associates, PC
Certified Public Accountants

WATER SUPPLY DISTRICT OF ACTON

Notes to the Financial Statements

June 30, 2003

NOTE 6 - LONG-TERM DEBT

Long-Term Debt consists of the following general obligation bond at June 30, 2003:

| Description | Original Amount | Interest Rate | Date of Issue | Date of Maturity | Balance 6/30/03 |
|-----------------|-----------------|---------------|---------------|------------------|-----------------|
| Conant Well II | \$800,000 | 4.75% | 06/16/98 | 06/15/05 | \$255,000 |
| Water Mains '03 | \$650,000 | 1.90% | 08/26/02 | 08/26/03 | \$650,000 |

During the year ended June 30, 2003, \$120,000 of principal and \$17,813 of interest was paid on the Conant Well II bond. This total of \$137,813 is reported as "Bonds, Interest and Fees" in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

During the year ended June 30, 2003 the District borrowed \$650,000 for the construction of water mains. The new debt matures August 26, 2003. The District has received a commitment to refinance \$455,000 of this debt. The District plans to pay off the balance of \$195,000 in cash.

The annual requirements to amortize all debt outstanding as of June 30, 2003 are as follows:

| Fiscal Year Ending June 30, | | Principal | Interest | Total |
|-----------------------------|--|------------------|-----------------|------------------|
| 2004 | | \$775,000 | \$24,462 | \$779,462 |
| 2005 | | <u>130,000</u> | <u>6,175</u> | <u>136,175</u> |
| | | <u>\$905,000</u> | <u>\$30,637</u> | <u>\$935,637</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 9% of their base pay depending on when they entered the system. The District's contributions for the year ended June 30, 2003 were \$64,831.

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 \$11,000 per year. District match contributions for the year ended June 30, 2003 were \$18,971, 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.

Voters at the 2002 Annual Meeting authorized the District to issue \$1,500,000 in new bonded indebtedness for the purpose of constructing water mains. At June 30, 2003, \$650,000 of bonds had been issued. The District expects to payoff the bonds in August 2003, and to refinance \$455,000 of the debt into new bonds.

During the year ended June 30, 2003, the District voted to withdraw from the Insurance Trust Fund, which they had been in partnership with the Town of Acton and the Acton Boxboro Regional School District for the administration of health insurance. The withdrawal is effective June 30, 2003. Final accounting and auditing of the Trust Fund is in process as of the date of this report, and the balance of funds receivable from or payable to the Trust Fund is unknown. The District expects the accounting to be concluded during the fiscal year ending June 30, 2004.

Mara & Associates, PC
Certified Public Accountants

CONCLUDED.

WATER SUPPLY DISTRICT OF ACTON

Supplemental Schedule of Capital Projects Fund Activity - Statutory Basis

For the Year Ended June 30, 2003

| | <i>BEGINNING BALANCE 06/30/02</i> | <i>TRANSFERS (TO)FROM GENERAL FUND</i> | <i>NEW BONDS ISSUED</i> | <i>PAYMENTS MADE</i> | <i>PAYMENTS RECEIVED</i> | <i>ENDING BALANCE 06/30/03</i> |
|----------------------------|---|--|---------------------------------|--------------------------|------------------------------|--|
| 4 Wheel Drive Vehicle 02 | \$265 | | | \$265 | | \$0 |
| 4 Wheel Drive Vehicle 03 | | \$25,000 | | 20,610 | \$4,200 | 8,590 |
| Clapp Well Replacement 02 | 39,976 | | | 35,276 | | 4,700 |
| Computer Hardware 00 | 1,216 | | | | | 1,216 |
| Great Hill Tank 03 | | 250,000 | | 4,090 | | 245,910 |
| Ken/Mar Treatment Study 02 | 15,000 | | | 5,114 | | 9,886 |
| Leak Detection Survey 02 | 623 | (623) | | | | 0 |
| Radio Read Meter 02 | 99,140 | | | 99,140 | | 0 |
| Radio Read Meters 03 | | 100,000 | | 9,212 | | 90,788 |
| SCADA System 99 | 1,798 | | | 1,710 | | 88 |
| Water Main Emergency 01 | 17,384 | | | 10,731 | | 6,653 |
| Water Main Emergency 02 | 25,000 | | | | | 25,000 |
| Water Main Replacement 01 | 1,397 | | | 1,397 | | 0 |
| Water Main Replacement 02 | 25,000 | | | 18,795 | | 6,205 |
| Water Main Replacement 03 | | 25,000 | | | | 25,000 |
| Water Mains Bonded 03 | 0 | | 650,066 | 529,052 | 3,768 | 124,782 |
| Water Mains Main Street 01 | 66,849 | (69,349) | | | 2,500 | 0 |
| Well Clean and Rehab 02 | 39,780 | | | 15,110 | | 24,670 |
| Well Clean and Rehab 03 | | 50,000 | | | | 50,000 |
| | <u>\$333,428</u> | <u>\$380,028</u> | <u>\$650,066</u> | <u>\$750,502</u> | <u>\$10,468</u> | <u>\$623,488</u> |

WATER SUPPLY DISTRICT OF ACTON

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

For the Year Ended June 30, 2003

| | <i>BEGINNING BALANCE 06/30/02</i> | <i>APPROPRIA- TIONS PER ANNUAL MEETING</i> | <i>TRANSFERS TO GRACE UNAPPROP</i> | <i>REVENUES (EXPENDI- TURES)</i> | <i>ENDING BALANCE 06/30/03</i> |
|-----------------------------------|---|--|--|--|--|
| Clapp/Whitcomb Media Replacement | \$4,089 | | | | \$4,089 |
| Conant I Pump/Motor | 1,129 | | | (\$1,129) | 0 |
| Maintenance and Operations | 150,261 | \$50,000 | | (63,072) | 137,189 |
| School Street Treatment | 22,216 | | (\$19,551) | (2,665) | 0 |
| Scribner Wellfield Rehabilitation | 500 | | | (500) | 0 |
| Wellhead Protection Grant | 31,636 | | (42,000) | 10,364 | 0 |
| Unappropriated | <u>2,270,328</u> | <u>(50,000)</u> | <u>61,551</u> | <u>178,201</u> | <u>2,460,080</u> |
| | <u>\$2,480,159</u> | <u>\$0</u> | <u>\$0</u> | <u>\$121,199</u> | <u>\$2,601,358</u> |

SEE ACCOUNTANT'S REPORT.

Mara & Associates, PC

Certified Public Accountants

Results of March 19, 2003 Annual Meeting

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 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, 2003, 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.

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 vote to transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$50,000 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.

PASSED UNANIMOUSLY

Article 6. VOTED that the District authorize the Treasurer, with the approval of the Commissioners to transfer to Receipt Reserve for Appropriation Account (W.R. Grace settlement) the unexpended balances of

A. Article 2, of November 8, 1999, Special Meeting, School Street Treatment Facility
Upgrade \$19,551.00.

B. Article 8, of March 21, 2001, Annual Meeting, Wellhead Protection Grant \$42,000.00.

PASSED UNANIMOUSLY

Article 7. VOTED that the District 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.

PASSED UNANIMOUSLY

Article 8. VOTED that the District transfer from Surplus Revenue the sum of \$25,000 to purchase a new four wheel drive pick-up truck and to authorize the Commissioners to trade or sell the District's 1998 Chevy S-10.

PASSED UNANIMOUSLY

Article 9. VOTED that the District transfer from Surplus Revenue the sum of \$50,000 to clean and rehabilitate existing wells throughout the District.

PASSED UNANIMOUSLY

Article 10. VOTED that the District transfer from Surplus Revenue the sum of \$25,000 for the purpose of replacing old water mains, renewing old water services and replacing old fire hydrants.

PASSED UNANIMOUSLY

Article 11. VOTED that the District 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 \$69,349.01 Article 11, of the Annual Meeting of March 21, 2001, for the installation of water main on Main Street, from Pine Street to Conant Street, Acton MA.

Unexpended balance in the sum of \$622.50 Article 16, of the Annual Meeting of March 20, 2002, for leak detection survey.


PASSED UNANIMOUSLY

Article 12. VOTED that the District authorize the Commissioners to acquire by purchase, gift or take by eminent domain, utility easements on private property near Powder Mill Road in Acton, Massachusetts on land owned by or formerly owned by:

- a) Autoplex I Realty Trust, namely, a 1,200 square foot area for a water main easement, situated on the northwesterly side of Powder Mill Road and being shown as "Utility Easement B" and a 3,769 square foot area for a temporary construction easement, situated on the southwesterly side of High Street and shown as "Temporary Construction Easement" on a plan entitled Easement Plan, Powder Mill Road, Acton, MA," prepared for the Water Supply District of Acton, dated October 28, 2002 by MLC Land Surveyors, Inc.;
- b) Autoplex Realty LLC, namely, a 2100 square foot area for a watermain easement situated on the northwesterly side of Powder Mill Road and being shown as "Utility Easement A" on a plan entitled "Easement Plan, Powder Mill Road, Acton, MA," prepared for the Water Supply District of Acton, dated October 28, 2002 by MLC Land Surveyors, Inc. and;
- c) Atlantic-Acton Realty Limited Partnership, namely, a 5405 square foot area for a water main easement, situated on the westerly side of Knox Trail and being shown as "Utility Easement" on a plan entitled "Easement Plan, Knox Trail, Acton, MA," prepared for the Water Supply District of Acton, dated October 28, 2002 by MLC Land Surveyors, Inc.;

which easements are for the installation of the water mains, for the purpose of making water system distribution improvements, as previously approved by the voters in Article 14 at the Annual Meeting of March 20, 2002, and in and as amendment to the legal descriptions set forth in warrant Article 1 approved for the same property locations by the voters at the Special District Meeting held on October 21, 2002.

PASSED UNANIMOUSLY



Charles E. Orcutt III
District Clerk

A TRUE COPY ATTEST:

**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.

Results of October 7, 2003 Special Meeting

A Special Meeting of the Water Supply District of Acton was held on October 7, 2003. Enclosed are the Articles and Abstracts of the actions taken at this meeting.

Articles 1 through 3 call for transfers from Surplus Revenue.

Article 1: Voted to transfer from Surplus Revenue the sum of \$60,000.00 for the purpose of designing and constructing a replacement well for the Assabet I well.

Article 2: Voted to transfer from Surplus Revenue the sum of \$185,000.00 for the purpose of purchasing and replacing the motor and pump for the Assabet I well and for the replacement of the existing high lift pumps with variable frequency drive (VFD) motors for the Assabet wells and all associated electrical costs.

Article 3: Voted to transfer from Surplus Revenue the sum of \$15,000.00 to contribute to the purchase of a certain parcel of land by the Town of Concord at 49B Lawsbrook Road in Concord, Massachusetts that abuts the Districts School Street wells, in order to restrict the use of that parcel for the conservation and protection of the Districts water supply.

Article 4: Voted to accept the provisions of Section 116 of Chapter 46 of the Acts of 2003 which authorizes certain public employees an incentive for early retirement, by extending the eligibility for receipt of a superannuation retirement allowance, in accordance with Sections 5(1) and Section 10(1) of Chapter 32, upon the effective retirement date of eligible employees.

ALL FOUR ARTICLES PASSED UNANIMOUSLY

A TRUE COPY ATTEST:



Charles E. Orcutt III
District Clerk