



# Acton Water District

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## Annual Report

for the year ending  
December 31, 2004



Warrant Articles for the Annual Meeting  
March 16, 2005

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

[www.actonh2o.com](http://www.actonh2o.com)

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

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COMMONWEALTH OF MASSACHUSETTS  
Middlesex, ss.



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

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

Precinct 1-The Clubhouse at Nagog Woods, 100 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 29, 2005  
Between 7:00 A.M. and 8:00 P.M.

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

Commissioner for three years

Clerk for three years

### Water District Elections 2004

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

Tuesday, March 30, 2004

Held at the 6 precincts of the Town of Acton.

The polls were open from 7 AM to 8 PM.

Number of Ballots cast: 404

Commissioner for 3 years:  
Ronald R. Parenti 334

A TRUE COPY ATTEST:

Charles E. Orcutt III  
District Clerk



## Water Supply District of Acton

### WARRANT

March 16, 2005

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

Water Supply District of Acton  
693 Massachusetts Avenue  
Acton, Massachusetts

Wednesday, March 16, 2005  
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, 2005, in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17, or to take any other action relative thereto.

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

**Article 5.** To see if the District will vote to transfer from Surplus Revenue the sum of \$150,000 for the 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 6.** To see if the District will vote to transfer from Surplus Revenue the sum of \$30,000 to clean and rehabilitate existing wells throughout the District, or to take any other action relative thereto.

**Article 7.** To see if the District will vote to transfer from Surplus Revenue the sum of \$20,000 for the purpose of repairing emergency water main breaks, 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 \$10,000 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 9.** To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 to purchase a new automobile and authorize the Commissioners to trade or sell the District's 2001 Ford Explorer, 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 \$30,000 to purchase a new four-wheel drive, one-half ton pick-up truck with plow and authorize the Commissioners to trade or sell the District's 1994 Ford pick-up truck, 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 to purchase a new automobile and authorize the Commissioners to trade or sell the District's 1997 Chevrolet Blazer, or to take any other action relative thereto.

**Article 12.** 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 \$5,056.45 Article 6, of the Annual Meeting of March 17, 2004, for purchase of a van.

B. Unexpended balance in the sum of \$5,202.64 Article 13, of the Annual Meeting of March 17, 2004, for conduct of a leak detection survey.

**Article 13.** To see if the District will 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, 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 24th day of January in the year two thousand and five.

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

A TRUE COPY ATTEST:

Charles E. Orcutt, III  
District Clerk

# FY 2005 Appropriation and Six Month Expenditures

## FY 2006 Anticipated Appropriation and Estimated Revenue

| Account Name               | FY 2005<br>Appropriation | July-Dec 2004<br>Actual | FY 2006<br>Appropriation |
|----------------------------|--------------------------|-------------------------|--------------------------|
| <b>Expense</b>             |                          |                         |                          |
| Accounting                 | 1,000.00                 | 0.00                    | 1,000.00                 |
| Audit                      | 13,500.00                | 13,500.00               | 14,500.00                |
| Auto Maintenance/Fuel      | 25,000.00                | 14,857.28               | 30,000.00                |
| Backflow/Cross Connection  | 2,000.00                 | 1,860.98                | 2,000.00                 |
| Bank Fees                  | 2,000.00                 | 490.87                  | 2,000.00                 |
| Bonds, Interest, Fees      | 270,468.25               | 129,437.00              | 310,000.00               |
| Chemicals                  | 30,000.00                | 6,938.96                | 20,000.00                |
| Computer Maintenance       | 15,000.00                | 260.82                  | 15,000.00                |
| DEP Withdrawal             | 6,500.00                 | 0.00                    | 6,500.00                 |
| Employee Education         | 15,000.00                | 4,828.31                | 15,000.00                |
| Engineering                | 10,000.00                | 9,100.00                | 12,000.00                |
| Health/Life Insurance      | 203,400.00               | 100,890.65              | 218,610.00               |
| Hydrants                   | 10,000.00                | 10,000.00               | 10,000.00                |
| Insurance                  | 41,745.00                | 41,025.00               | 46,000.00                |
| Laboratory Analysis        | 26,000.00                | 7,957.80                | 21,000.00                |
| Legal                      | 20,000.00                | 6,789.50                | 20,000.00                |
| Lights/Power/Fuel          | 270,000.00               | 105,249.25              | 270,000.00               |
| Maintenance & Operations   | 102,000.00               | 50,870.03               | 105,000.00               |
| Middlesex Retirement       | 75,215.00                | 75,215.00               | 79,265.00                |
| Meters                     | 1,000.00                 | 0.00                    | 3,000.00                 |
| Office Supplies            | 15,000.00                | 3,791.38                | 15,000.00                |
| Paving                     | 12,000.00                | 11,424.49               | 12,000.00                |
| Petty Cash                 | 1,000.00                 | 400.00                  | 1,000.00                 |
| Postage                    | 7,500.00                 | 3,100.00                | 7,500.00                 |
| Reserve Fund               | 30,000.00                | 0.00                    | 25,000.00                |
| Salaries & Wages           | 915,000.00               | 436,969.11              | 950,000.00               |
| Telephone                  | 20,000.00                | 2,902.27                | 10,000.00                |
| Information Reports        | 22,000.00                | 460.00                  | 25,000.00                |
| <b>Total</b>               | <b>2,162,328.25</b>      | <b>1,038,318.70</b>     | <b>2,246,375.00</b>      |
| <b>Revenue</b>             |                          |                         |                          |
| Water Revenue              | 1,814,173.25             | 1,164,415.69            | 1,891,125.00             |
| Fire Protection Sprinklers | 15,375.00                | 14,721.32               | 15,250.00                |
| Rent/Lease                 | 90,780.00                | 49,585.68               | 98,000.00                |
| Repairs/Installation       | 30,000.00                | 14,945.45               | 30,000.00                |
| Cross Connection           | 12,000.00                | 7,844.28                | 12,000.00                |
| Demand Fees                | 200,000.00               | 126,464.00              | 200,000.00               |
| <b>Total</b>               | <b>2,162,328.25</b>      | <b>1,377,976.42</b>     | <b>2,246,375.00</b>      |

**Report of the Treasurer  
Audited Account Balances  
June 30, 2004**

|                              |              |
|------------------------------|--------------|
| Sovereign Bank A/P           | 46,698.33    |
| Sovereign Money Market       | 125,578.42   |
| MMDT                         | 775,375.76   |
| Middlesex Savings            | 5,616.42     |
| Citizens Bank                | 6,512.42     |
| First Federal Savings        | 18,299.37    |
| First Trade Union            | 108,763.56   |
| UniBank                      | 20,570.84    |
| <br>Certificates of Deposit: |              |
| Peoples Savings              | 100,000.00   |
| Total                        | 1,207,415.12 |

**Report of the Collector  
Audited Account Balances  
June 30, 2004**

|                                   |              |
|-----------------------------------|--------------|
| Accounts Receivable June 30, 2003 | 52,664.99    |
| Charges                           | 2,182,554.83 |
| Interest Charges                  | 7,765.79     |
| Refunds                           | 172.72       |
|                                   | 2,243,158.33 |
| <br>Payments                      | 2,173,895.36 |
| Abatements                        | 5,113.27     |
| Adjustments                       | -            |
| Outstanding June 30, 2004         | 64,149.70    |
|                                   | 2,243,158.33 |

**Outstanding Debt  
June 30, 2004**

| 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        | 130,000.00 |
| Water Mains    | 455,000.00      | 1.39%         | 8/26/2003     | 8/25/2004        | 455,000.00 |

Respectfully submitted,  
Mary J. Bates  
Treasurer/Collector



## Report of Commissioners

Because of the competent staff at the Water District, the Commissioners normally just make sure that the AWD continues to run like a fine Swiss watch. We do not often get to make decisions or create policies that affect the long term direction of the Water District. We do that when we choose a District Manager, revise billing rate structure, resolve a pollution issue or evaluate proposals that question the very foundation of the Acton Water District as we did this year when a developer proposed a major residential development project that potentially crossed town boundaries.

This development raised a fundamental issue for the Water District. When, if ever, is it appropriate for the Acton Water District to supply water outside of the geopolitical boundaries of the Town of Acton? Given our normal procedures of obtaining voter input into major decisions, we put on the warrant for the annual meeting on March 16, 2004 an article to enter negotiations with the developer to develop a plan of action. The turnout at the meeting was fantastic with the library conference room filled to capacity, (we often worry that there is not enough attendance at our annual meeting) and the discussion lively.

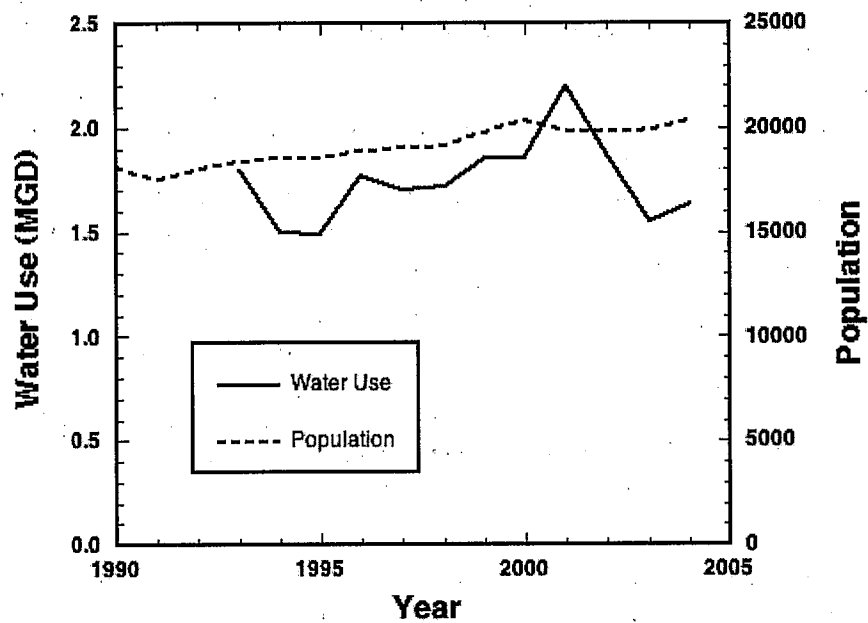
It was clear that the voters wanted to make that kind of decision within a framework they understood and supported or they would turn down any major changes in operation or policy. To start the process of understanding the effects of any change in policy we restarted a volunteer committee, a process that we have used in the past to develop answers to trickier questions. The *Land/Water Use Advisory Committee* is composed of town volunteers who have no connection with other committees. They will report during the next year.

As engaging as this challenge is, we still recognize that our principal purpose is to provide sufficient, clean water to the residents of the District. To do this we rely on our outstanding staff of dedicated professionals. During this year they have brought to our attention the potential issues, at least at a pre-policy level, of perchlorate and MTBE. These issues have surfaced in other areas of the state and our District staff has them on their radar screen.

Our present pumping capacity for the system is limited by the Commonwealth of Massachusetts to an average of 1.9 millions gallons per day. We are presently pumping an average of 1.6 million gallons per day.

Respectfully submitted

Stephen Stuntz  
Ron Parenti  
Len Phillips



## Report of the District Manager

The following report covers the activities of the District in 2004.

|  |      |
|--|------|
| • New Meter Installation                     | 58   |
| • New Housing Units (single family)          | 57   |
| • New Multi-Family Units                     | 30   |
| • Old meters replaced with radio read meters | 1093 |
| • Service lines replaced or renewed          | 16   |
| • Water mains repaired                       | 10   |
| • Fire hydrants repaired or replaced         | 18   |

Total gallons pumped in 2004 – 595,780,145 gallons

## Report of the District Manager

The Water Supply District of Acton has been supplying the potable water needs of the residents of Acton since it's beginning as the West and South Water Supply District in 1912. The service area has been constantly expanding since that time but other than a single piece of property in Littleton added by a special Act of the Legislature in the 1980s, all extensions of service have been limited to properties located within the geographic confines of the Town of Acton.

There is nothing specific that limits the District from expanding its service area across political bounds. In fact, the District's enabling legislation specifically names Boxborough as an area that could be supplied under certain conditions without Legislative approval. Currently Boxborough, as well as Carlisle and Stow, three communities that border the District, have no municipal public water supply. In addition, the municipal supplies that exist in Westford and Concord do not extend to their borders. It is for these and other reasons, that the Water Supply District of Acton is constantly being asked to consider extending its service area beyond its current bounds.

The most recent request came to the Board of Water Commissioners as part of a proposed development in Westford. A warrant article was prepared and at the Annual Meeting the District voters overwhelmingly voted to deny that expansion. This specific proposal has been settled. However, it raised the much broader question of regionalization. When, and under what circumstances, if any, should the Water District consider expanding its service area beyond the geographic confines of the Town of Acton?

In an effort to help answer that question, the Board of Water Commissioners has re-activated the Land/Water Use Advisory Committee. A five member committee has been appointed and charged with the responsibility of looking into that question. The committee will report back to the Commissioners with their recommendations and next years Annual Report will contain the results of their efforts.

The Land/Water Use Advisory Committee Meetings are posted on the District's web-site ([www.Actonh2o.com](http://www.Actonh2o.com)). These meetings are held in the Water District Office at 693 Massachusetts Avenue and are open to the public. Any resident wishing to comment is welcome to attend. We also created an e-mail address for the committee. A link to it is found on our web-site and anyone wishing to comment is encouraged to do so.

Expansion of the District's service area is a complex issue. We encourage everyone's participation.

I would once again like to thank all of the Town and School Departments and their employees for their help and cooperation throughout the year. I also want to acknowledge the contributions of everyone on my staff, as well as thank the Commissioners and other elected and appointed officials of the Acton Water District for their support. Most importantly, I'd like to thank the residents for their cooperation and understanding over the course of the year.

Respectfully submitted,



James L. Deming

## **Report of the Finance Committee**

This report covers the period from the previous report through the end of calendar year 2004.

The Water Supply District of Acton (AWD) is directed by three elected Commissioners, one elected each year for a three year term. The Commissioners set policy for the District and hire a Manager to operate the water supply for the District. A District Moderator and Clerk perform the same functions as those with similar titles in many New England towns.

The three members of the Finance Committee are appointed by the District Moderator to three year terms with one term expiring each year. Most of the functions of the AWD Finance Committee are analogous to functions of a town's Finance Committee. We advise the Commissioners on all matters that have an impact on the finances of the District. We review the annual budget and the results of operating with that budget. We review the results of the annual audit. We take a public position about each warrant article that has a financial impact at each Annual and Special District Meeting. We monitor the investments and income of the W. R. Grace Fund. At least one member of the committee attends each meeting of the Commissioners.

The District is financially healthy. For many years, most capital expenditures have been made from free cash, the equivalent of a company's retained earnings. Certified free cash as of July 1, 2004 was \$513,770. The District has relatively little debt. The only bonded debt is scheduled to be paid off June 15, 2005. The only other debt is scheduled to be paid off in 2006. Interest rates are low enough and the District's credit rating (Aa3 by Moody) is good enough that the District can save money by simply borrowing rather than issuing bonds for the projects we have done recently that were not financed from free cash.

Water rates were last raised in March 2003, with the expectation that no further increase would be needed for at least two or three years. The Finance Committee expects no increase will be needed during 2005. Water rates are well below the average of nearby towns and of the towns Acton is often compared to.

In 1987, the District received \$2,250,000 from W. R. Grace Co. as a result of a suit for contamination of the water supply. The money has been invested and is used to keep the water supply free from contamination. As of December 31, 2004, the fund had a balance of \$2,862,279. The audited balance as of June 30, 2004 was \$2,791,785. The fund's investments are managed by Brown Brothers Harriman, under guidelines provided by the Finance Committee. This year the committee reaffirmed that 30-50% should be invested in stocks.

Accounting in the District has been done according to Commonwealth of Massachusetts' uniform reporting system, as required by law. Audit reports were qualified by mentioning the District did not follow generally accepted accounting standards. For several years, the District has been moving toward reporting in the generally accepted form as well as in the legally required form. The job is done. The auditors report for the fiscal year ended June 30, 2004 contains no qualifications. The Finance Committee congratulates everyone involved in this major project, the Treasurer, the office staff, and our outside accountant.

Substantially all the employees of the District are members of the Middlesex Retirement System (MRS). The retirement system is funded by employer and employee contributions. The District's share is determined by the Massachusetts Division of Insurance. It has been very difficult to get information about investments and returns from MRS. What little information is available indicates the system produces very low returns for the employees. The Finance Committee analyzed the latest audit of MRS, which covered 1998 through 2000 and was not available until 2004. The committee contributed to a letter from the Commissioners, School Committee, and Selectmen to our Representatives in the legislature requesting reform of MRS. Nothing has happened so far.

Last year, effective July 1, 2003, the District left the Acton Health Insurance Joint Trust, which also included the Town of Acton and the Acton Buxborough Regional School District. The committee expected the change to the Massachusetts Interlocal Insurance Agency would save money for the employees and the District while providing about the same coverage and service. The District has already recovered \$40,000 from the Joint

Trust and expects \$1200 more. Since the change, we have saved money as we expected, and we expect the savings will continue.

We extend our thanks to the Commissioners and employees of the District.  
It is a pleasure to work with them.

All meetings of the Finance Committee are posted and are open to the public.  
We welcome your interest.

Respectfully submitted,  
Charles Bradley, Chairman  
Theodore Jarvis  
William Kingman

## **Environmental Manager's Report for 2004**

On the environmental front, the Acton Water District accomplished the following in 2004:

### **Environmental Compliance**

We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA), including our (every three year) testing of 30 homes for lead and copper in the distribution system. We had a coliform detection in North Acton, but fortunately the problem was limited to one location and was resolved immediately. We initiated sampling for chlorine residual, haloacetic acids, and perchlorate. We met all SDWA standards.

### **Water Conservation**

During the spring and summer of 2004 the Acton Water District, in conjunction with Energy New England, provided free irrigation system water audits for 20 customers with automatic irrigation systems. The audits examined inefficiencies in homeowner's irrigation systems and made recommendations to help conserve water. During Drinking Water Week in early May, we held a water conservation open house and rain barrel day, providing over 100 rain barrels below cost to AWD customers. We also continued our fruitful collaboration with the Acton Garden Club's Water Wise Committee, hosting an Acton Newcomers Water Conservation Workshop, and assisted in the development of a water wise gardening exhibit for the Garden Club's Annual Flower show. The display was awarded the educational award for the show, and first place overall.

### **Source Water Protection**

We were fortunate to have a summer intern, Megan Curtis-Murphy, who conducted a study of the best ways to protect our wells from roadway runoff and accidental spills, while promoting recharge back into the groundwater. The results of her study will help us integrate the goals of "keeping water local" with keeping our groundwater clean. I served on Acton's Comprehensive Water Resources Management Plan Citizen's Advisory Committee, which is in the process of evaluating the best way to meet Acton's future wastewater needs while protecting other water resources. We also provided support and funding for the Acton Stream Team's Stream Signs Project.

### **School Education Program**

We provided tours of our Conant wells to Acton-Boxborough High School science classes, an all-day session on groundwater and surface water dynamics to all third graders at the Merriam School, a lesson and demonstration on groundwater protection to the Merriam School fifth grade classes, and a lesson comparing tap and bottled water to sixth graders at the Douglas School.

**Pesticide Awareness**

We partnered with water department staff from the surrounding towns of Westford, Carlisle, Chelmsford, Concord, and Littleton to win a grant from the Toxics Use Reduction Institute (TURI) at the University of Massachusetts Lowell for a multi-town pesticide awareness project. Under this project, we developed a partnership with the Butterbrook Farm and Bird House Garden Center, who will work with us to co-host free workshops on sustainable lawn care this upcoming spring. We also participated in the League of Women Voters "Healthy Lawns" educational seminar, and had a related editorial, "Lawns for the New Millennium" featured in the Beacon newspaper.

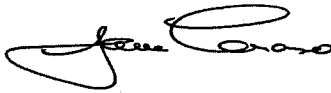
**Treatment Study for Kennedy and Marshall Wells**

We completed a study, in conjunction with Weston and Sampson, to evaluate possible pilot treatment alternatives to reduce natural organic color at the Kennedy and Marshall wells. The pilot study will be conducted in 2005, and results will be published in our upcoming Water Words Notices.

**WR Grace Site Cleanup**

We continued our participation in technical and public meetings and review of documents related to the Acton-WR Grace site cleanup process. Grace's *Public Health and Baseline Ecological Risk Assessment* for the Acton site was released in August, 2004. An upcoming public meeting will explain the results of the assessment.

Respectfully submitted,



Jane Ceraso  
Environmental Manager

# 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 accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Water Supply District of Acton as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Water Supply District of Acton as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, as of June 30, 2004.

The management's discussion and analysis on pages 2 - 3 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Supply District of Acton basic financial statements. The Supplemental Schedule of Capital Projects Activity on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements, and is fairly presented, in all material respects, in relation to the basic financial statements in conformity with accounting principles generally accepted in the United States of America.

*Mara & Associates, PC*

Mara & Associates, PC  
August 4, 2004

## **Management's Discussion and Analysis**

As Management of The Water Supply District of Acton, we offer readers of the Water Supply District of Acton's financial statements this narrative overview and analysis of financial activities for the year ended June 30, 2004.

### **Financial Highlights**

The assets of the Water Supply District of Acton exceeded its liabilities at the close of the fiscal year by \$20,735,185 (net assets). Of this amount, \$1,229,641 (unrestricted net assets) may be used to meet the ongoing obligations of the District.

The total assets of the District are \$21,408,464. Of this amount, \$2,011,568 represents current assets and \$19,396,896 represents capital assets.

The total liabilities of the District are \$673,279. Of this amount, \$590,823 represents current liabilities and \$82,456 represents long term liabilities.

Total net assets of the District are \$20,735,185. This includes \$18,811,896 invested in capital assets, net of related debt, \$693,648 which is restricted for capital projects, and \$1,229,641 which is unrestricted.

The District issued a one year bond for \$455,000 for the installation of new water mains. The bond bears interest at 1.39% and is due and payable 8/25/2004.

The overall financial position of the District is stable. The change in net assets for the fiscal year amounts to a decrease of \$65,953.

### **Overview of Financial Statements**

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

The District adopts an annual appropriated budget for its government wide activities. A budgetary comparison has been included. Actual revenues for the year exceeded budgeted revenues by \$98,264. Actual expenditures were less than budgeted expenditures by \$224,103.

The fiduciary fund financial statements contain revenues and expenses relating to the WR Grace Fund, a restricted fund which can only be used for expenditures relating to improving water quality.

### **Comparison of current year to prior year**

Income for the Water Supply District of Acton is generated from water rates, installation of new services and interest income.

Income for the current fiscal year exceeded the income for the previous fiscal year by \$238,476. Income from water rates was \$348,446 greater than last year. Income from water services decreased from the previous fiscal year by \$100,738. There were fewer new connections this year. Interest income of \$11,583 reflects a decrease of \$9,232 from the previous fiscal year.

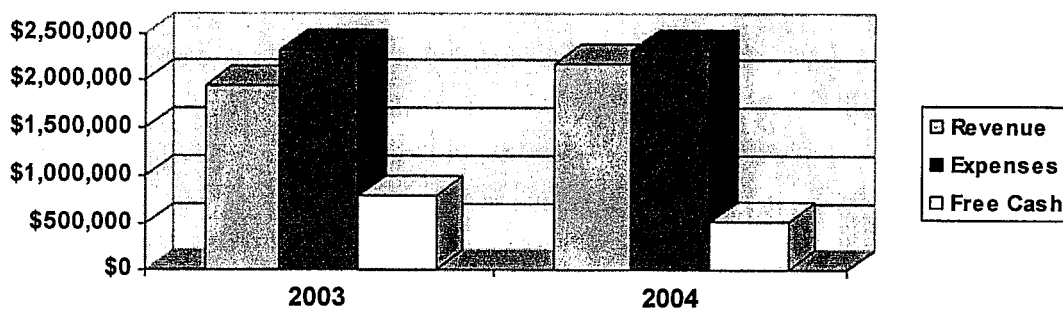


The total revenue for the District was \$2,184,398. This reflects the water rate increase which was in effect for the full year. Revenue is generated from the sale of water and charging demand fees for new connections according to a schedule adopted by the Board of Water Commissioners. \$11,583 in income was generated from investment income.

Expenditures for the current fiscal increased from the previous fiscal year by \$7,815. Total expenditures for the year amounted to \$2,321,653.

At the close of the fiscal year the unreserved fund balance (free cash) was \$513,770. This represents a decrease of \$272,415 from the previous fiscal year.

At the close of the fiscal year there was a balance of \$693,648 restricted for capital projects. This represents an increase of \$70,160 over the previous fiscal year.



### Capital Assets

The Water Supply District of Acton's investment in capital assets as of June 30, 2004 amounts to \$19,396,896 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment. The District added \$459,727 in capital assets this year. The District transferred \$594,782 from the general fund to the capital projects fund to fund these expenditures.

Property and equipment is depreciated utilizing the straight line depreciation method and estimated useful lives as recommended by the Commonwealth of Massachusetts Department of Revenue Bureau of Accounts. The depreciation expense for this fiscal year was \$697,567.

Capital Assets are replaced following a replacement schedule prepared by the District. This schedule is updated every 5 years.

### Fiscal Year 2005

The District has appropriated a balanced annual budget for FY 2005 of \$2,162,328. There is no rate increase anticipated this year. There will be a short term bond roll over in August of \$335,000. The District anticipates that revenues and expenses will be in line with the current fiscal year.

**WATER SUPPLY DISTRICT OF ACTON**

## Statement of Net Assets

June 30, 2004

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*ASSETS**Current Assets*

|                              |                  |
|------------------------------|------------------|
| Cash and Cash Equivalents    | \$1,207,418      |
| Accounts Receivable          | 64,150           |
| Unbilled Accounts Receivable | <u>740,000</u>   |
| Total Current Assets         | <u>2,011,568</u> |

*Non Current Assets*

|  |                   |
|--|-------------------|
| Capital Assets                                   |                   |
| Land   | 762,225           |
| Depreciable Infrastructure, net                  | 16,850,832        |
| Depreciable Buildings, Property & Equipment, net | <u>1,783,839</u>  |
| Total Non Current Assets                         | <u>19,396,896</u> |

|              |                            |
|--------------|----------------------------|
| Total Assets | <u><u>\$21,408,464</u></u> |
|--------------|----------------------------|

*LIABILITIES AND NET ASSETS**LIABILITIES**Current Liabilities*

|                                |                |
|--------------------------------|----------------|
| Short Term Debt                | \$455,000      |
| Current Portion Long Term Debt | 130,000        |
| Accrued Interest Payable       | <u>5,823</u>   |
| Total Current Liabilities      | <u>590,823</u> |

*Long Term Liabilities*

|                              |               |
|------------------------------|---------------|
| Accrued Compensated Absences | <u>82,456</u> |
| Total Liabilities            | 673,279       |

*NET ASSETS*

|   |                            |
|---|----------------------------|
| Invested in Capital Assets, net of related debt | 18,811,896                 |
| Restricted for Capital Projects                 | 693,648                    |
| Unrestricted                                    | <u>1,229,641</u>           |
| Total Net Assets                                | <u>20,735,185</u>          |
| Total Liabilities and Net Assets                | <u><u>\$21,408,464</u></u> |

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**WATER SUPPLY DISTRICT OF ACTON**

## Statement of Activities

For the Year Ended June 30, 2004

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*REVENUES*

|                 |                  |
|-----------------|------------------|
| Water Rates     | \$1,979,615      |
| Water Services  | 229,253          |
| Interest Income | 11,583           |
| Total Revenues  | <u>2,220,451</u> |

*EXPENSES*

|                            |                  |
|----------------------------|------------------|
| Salaries and Wages         | 840,947          |
| Depreciation Expense       | 697,567          |
| Lights, Power and Fuel     | 197,147          |
| Health and Life Insurance  | 133,405          |
| Maintenance and Operations | 101,916          |
| Middlesex Retirement       | 69,767           |
| Insurance                  | 33,969           |
| Auto Maintenance and Fuel  | 24,854           |
| Interest Expense           | 18,912           |
| Laboratory Analysis        | 18,231           |
| Telephone                  | 15,602           |
| Computer Maintenance       | 15,114           |
| Chemicals                  | 14,908           |
| Legal                      | 14,684           |
| Audit                      | 13,500           |
| Office Supplies            | 13,355           |
| Information Reports        | 13,312           |
| Paving                     | 10,639           |
| Hydrants                   | 10,000           |
| Education                  | 7,779            |
| D.E.P. Withdrawal and Fees | 6,500            |
| Postage                    | 6,414            |
| Accounting                 | 5,000            |
| Bank Fees                  | 1,532            |
| Petty Cash                 | 800              |
| Engineering                | 550              |
| Total Expenditures         | <u>2,286,404</u> |

*CHANGE IN NET ASSETS*

(65,953)

Net Assets - Beginning of Year

20,801,138

Net Assets - End of Year

\$20,735,185

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**WATER SUPPLY DISTRICT OF ACTON**  
**Governmental Funds - Balance Sheet**  
**June 30, 2004**

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|  | <i>General<br/>Fund</i> | <i>Capital<br/>Projects<br/>Fund</i> | <i>Total<br/>Governmental<br/>Funds</i> |
|--|-------------------------|--------------------------------------|---|
| <b>ASSETS</b>                              |                         |                                      |   |
| Cash and Cash Equivalents                  | \$1,207,418             |                                      | \$1,207,418                             |
| Accounts Receivable                        | 64,150                  |                                      | 64,150                                  |
| Less Reserve for Uncollectible Receivables | (64,150)                |                                      | (64,150)                                |
| Due from General Fund                      |                         | \$693,648                            | 693,648                                 |
| <b>Total Assets</b>                        | <b>\$1,207,418</b>      | <b>\$693,648</b>                     | <b>\$1,901,066</b>                      |
| <b>LIABILITIES AND FUND BALANCES</b>       |                         |                                      |   |
| <b>LIABILITIES</b>                         |                         |                                      |   |
| Due to Capital Projects Fund               | \$693,648               |                                      | \$693,648                               |
| <b>Total Liabilities</b>                   | <b>693,648</b>          |                                      | <b>693,648</b>                          |
| <b>FUND BALANCES</b>                       |                         |                                      |   |
| Unreserved                                 | 513,770                 |                                      | 513,770                                 |
| Reserved for Capital Projects              |                         | \$693,648                            | 693,648                                 |
| <b>Total Fund Balances</b>                 | <b>513,770</b>          | <b>693,648</b>                       | <b>1,207,418</b>                        |
| <b>Total Liabilities and Fund Balances</b> | <b>\$1,207,418</b>      | <b>\$693,648</b>                     | <b>\$1,901,066</b>                      |

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

**Mara & Associates, PC**  
 Certified Public Accountants

**WATER SUPPLY DISTRICT OF ACTON**

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Governmental Funds - Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended June 30, 2004

|  | <i>General<br/>Fund</i> | <i>Capital<br/>Projects<br/>Fund</i> | <i>Total<br/>Governmental<br/>Funds</i> |
|--|-------------------------|--------------------------------------|---|
| <b>REVENUES</b>                                      |                         |                                      |   |
| Water Rates  | \$1,943,562             |                                      | \$1,943,562                             |
| Water Services                                       | 229,253                 |                                      | 229,253                                 |
| Interest Income                                      | 11,478                  | \$105                                | 11,583                                  |
| Total Revenues                                       | 2,184,293               | 105                                  | 2,184,398                               |
| <b>EXPENDITURES</b>                                  |                         |                                      |   |
| Salaries and Wages                                   | 853,486                 |                                      | 853,486                                 |
| Capital Project Expenditures                         |                         | 459,727                              | 459,727                                 |
| Bonds, Interest and Fees                             | 279,462                 |                                      | 279,462                                 |
| Lights, Power and Fuel                               | 197,147                 |                                      | 197,147                                 |
| Health and Life Insurance                            | 133,405                 |                                      | 133,405                                 |
| Maintenance and Operations                           | 101,916                 |                                      | 101,916                                 |
| Middlesex Retirement                                 | 69,767                  |                                      | 69,767                                  |
| Insurance  | 33,969                  |                                      | 33,969                                  |
| Auto Maintenance and Fuel                            | 24,854                  |                                      | 24,854                                  |
| Laboratory Analysis                                  | 18,231                  |                                      | 18,231                                  |
| Telephone  | 15,602                  |                                      | 15,602                                  |
| Computer Maintenance                                 | 15,114                  |                                      | 15,114                                  |
| Chemicals  | 14,908                  |                                      | 14,908                                  |
| Legal  | 14,684                  |                                      | 14,684                                  |
| Audit  | 13,500                  |                                      | 13,500                                  |
| Office Supplies                                      | 13,355                  |                                      | 13,355                                  |
| Information Reports                                  | 13,312                  |                                      | 13,312                                  |
| Paving   | 10,639                  |                                      | 10,639                                  |
| Hydrants   | 10,000                  |                                      | 10,000                                  |
| Education  | 7,779                   |                                      | 7,779                                   |
| D.E.P. Withdrawal and Fees                           | 6,500                   |                                      | 6,500                                   |
| Postage  | 6,414                   |                                      | 6,414                                   |
| Accounting   | 5,000                   |                                      | 5,000                                   |
| Bank Fees  | 1,532                   |                                      | 1,532                                   |
| Petty Cash   | 800                     |                                      | 800                                     |
| Engineering  | 550                     |                                      | 550                                     |
| Total Expenditures                                   | 1,861,926               | 459,727                              | 2,321,653                               |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>            | 322,367                 | (459,622)                            | (137,255)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |                                      |   |
| Transfers from General Fund to Capital Projects Fund | (624,000)               | 624,000                              | 0                                       |
| Transfers from Capital Projects Fund to General Fund | 29,218                  | (29,218)                             | 0                                       |
| Repayment of Bonds Not Used for Capital Project      |                         | (65,000)                             | (65,000)                                |
| Net Change in Fund Balances                          | (272,415)               | 70,160                               | (202,255)                               |
| Fund Balances - Beginning of Year                    | 786,185                 | 623,488                              | 1,409,673                               |
| Fund Balances - End of Year                          | \$513,770               | \$693,648                            | \$1,207,418                             |

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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**WATER SUPPLY DISTRICT OF ACTON**

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General Fund - Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2004

|  | <i>Budget</i>    | <i>Actual</i>    | <i>Variance<br/>Positive<br/>(Negative)</i> |
|--|------------------|------------------|---|
| <b>REVENUES</b>                                      |                  |                  |   |
| Water Rates  | \$1,722,874      | \$1,943,562      | \$220,688                                   |
| Water Services                                       | 363,155          | 229,253          | (133,902)                                   |
| Interest Income                                      |                  | 11,478           | 11,478                                      |
| Total Revenues                                       | <u>2,086,029</u> | <u>2,184,293</u> | <u>98,264</u>                               |
| <b>EXPENDITURES</b>                                  |                  |                  |   |
| Salaries and Wages                                   | 880,000          | 853,486          | 26,514                                      |
| Bonds, Interest and Fees                             | 270,462          | 279,462          | (9,000)                                     |
| Lights, Power and Fuel                               | 255,000          | 197,147          | 57,853                                      |
| Health and Life Insurance                            | 180,000          | 133,405          | 46,595                                      |
| Maintenance and Operations                           | 102,000          | 101,916          | 84  |
| Middlesex Retirement                                 | 69,767           | 69,767           | 0   |
| Insurance  | 36,300           | 33,969           | 2,331                                       |
| Chemicals  | 32,000           | 14,908           | 17,092                                      |
| Reserve Fund   | 30,000           | 0                | 30,000                                      |
| Laboratory Analysis                                  | 26,000           | 18,231           | 7,769                                       |
| Auto Maintenance and Fuel                            | 25,000           | 24,854           | 146   |
| Information Reports                                  | 22,000           | 13,312           | 8,688                                       |
| Telephone  | 20,000           | 15,602           | 4,398                                       |
| Legal  | 20,000           | 14,684           | 5,316                                       |
| Computer Maintenance                                 | 18,000           | 15,114           | 2,886                                       |
| Office Supplies                                      | 15,000           | 13,355           | 1,645                                       |
| Audit  | 13,500           | 13,500           | 0   |
| Paving   | 12,000           | 10,639           | 1,361                                       |
| Education  | 12,000           | 7,779            | 4,221                                       |
| Engineering  | 12,000           | 550              | 11,450                                      |
| Hydrants   | 10,000           | 10,000           | 0   |
| Postage  | 7,500            | 6,414            | 1,086                                       |
| D.E.P. Withdrawal and Fees                           | 6,500            | 6,500            | 0   |
| Accounting   | 5,000            | 5,000            | 0   |
| Bank Fees  | 2,000            | 1,532            | 468   |
| Cross Connection                                     | 2,000            | 0                | 2,000                                       |
| Meters   | 1,000            | 0                | 1,000                                       |
| Petty Cash   | 1,000            | 800              | 200   |
| Total Expenditures                                   | <u>2,086,029</u> | <u>1,861,926</u> | <u>224,103</u>                              |
| <b>REVENUES OVER EXPENDITURES</b>                    | <b>0</b>         | <b>322,367</b>   | <b>322,367</b>                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                  |                  |   |
| Transfers from General Fund to Capital Projects Fund | (624,000)        | (624,000)        | 0   |
| Transfers from Capital Projects Fund to General Fund | 29,218           | 29,218           | 0   |
| Net Change in Fund Balance                           | (594,782)        | (272,415)        | 322,367                                     |
| Budgetary Fund Balance - Beginning of Year           | 786,185          | 786,185          | 0   |
| Budgetary Fund Balance - End of Year                 | <u>\$191,403</u> | <u>\$513,770</u> | <u>\$322,367</u>                            |

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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**WATER SUPPLY DISTRICT OF ACTON**

Fiduciary Fund - Statement of Fiduciary Net Assets - WR Grace Fund  
June 30, 2004

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**ASSETS***Current Assets*

Cash and Cash Equivalents

\$279,579

Investments

2,512,206

Total Assets

\$2,791,785**NET ASSETS**

Restricted for WR Grace Fund (water improvement activities)

\$2,791,785**WATER SUPPLY DISTRICT OF ACTON**

Fiduciary Fund - Statement of Changes in Fiduciary Net Assets - WR Grace Fund  
For the Year Ended June 30, 2004

**ADDITIONS**

Dividend and Interest Income

\$85,421

Net Increase in the Fair Value of Investments

192,127

Total Additions

277,548**DEDUCTIONS**

Investment Management Fees

21,454

Maintenance and Operations

65,667

Total Deductions

87,121

Change in Net Assets

190,427

Net Assets - Beginning of Year

2,601,358

Net Assets - End of Year

\$2,791,785

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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**NOTE 1 - GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Summary of Significant Accounting Policies** - The 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:

**Basis of Presentation** - In 2004 the District implemented Governmental Accounting Standards Board Statement 34 (GASB 34). A Practical Guide for Implementation of GASB Statement 34 for Massachusetts Local Governments, published in June 2001 by the Massachusetts Department of Revenue Division of Local Services, Bureau of Accounts gives a good description of the change from the former reporting model to the new model, and is presented here (with editing to delete references that are not applicable to the District or to add specifics applicable to the District).

In the old reporting model communities prepared a "General Purpose Financial Statement" as the minimum requirement under Generally Accepted Accounting Principles. These financial statements were broken down into "Fund Types and Account Groups". Within the Fund Types were Governmental Funds (general fund and capital projects funds) and Fiduciary Fund (WR Grace). The General Long Term Debt Account Group was used to report liabilities of governmental funds. A budget-to-actual statement was presented and notes to the general purpose financial statements supported the financial statements.

The new GASB 34 financial reporting model requires new sections for Management's Discussion and Analysis and Government-Wide financial statements. Fund and budgetary financial statements are presented and supported by notes to the financial statements, which is similar to the old reporting model. Government-Wide financial statements are presented on the accrual basis of accounting. The General Long Term Debt Account Group is eliminated, but the liabilities are still calculated and are now presented as part of the Government-Wide financial statements. The capitalization of Infrastructure Assets related to Governmental Funds was previously optional, but is now a required presentation in the Government-Wide financial statements, including the calculation of depreciation expense and accumulated depreciation. Liabilities for compensated absences are now required to be reported as liabilities in the Government-Wide financial statements. The net assets of the District, including those invested in capital assets, net of related debt, those restricted (for capital projects) and unrestricted net assets are now a required presentation in the Government-Wide financial statements.

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

The Government-Wide financial statements are reported on the accrual method of accounting, where revenues are reported when earned and expenses are reported when incurred, regardless of when payments are either received or made.



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

*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 WR Grace Fiduciary Fund are also approved at the Annual Meeting. Any budget overrides or additional appropriations must be approved at a specially called District Meeting.

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

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The District considers all highly liquid investments with a maturity date of less than one year to be cash equivalents. The District maintains 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 3 - INVESTMENTS**

The WR 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, 2004, the funds were invested 50% in equities, 42% in fixed income obligations and 8% in cash equivalents.

The WR Grace Fund investments are carried at fair value. During the year ended June 30, 2004, the District realized a net gain of \$162,434 from the sale of investments. The unrealized gain on investments held at year end was \$29,693. The net increase in the fair value of investments during the year was \$192,127. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

**NOTE 4 - INTERFUND RECEIVABLE AND PAYABLE**

At June 30, 2004, \$693,648 is due to the Capital Projects Fund from the General Fund on Governmental Funds - Balance Sheet.

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the District the the year ended June 30, 2004 consisted of the following:

| Description   | Beginning<br>Balance | Additions      | Ending<br>Balance   |
|---|----------------------|----------------|---------------------|
| Land  | \$ 762,225           |                | \$ 762,225          |
| Infrastructure (Wells and Water Mains)                                    | 25,775,729           | \$ 102,279     | 25,878,008          |
| Buildings   | 520,000              |                | 520,000             |
| Vehicles  | 326,996              | 13,944         | 340,940             |
| Machinery & Equipment -<br>(Hydrants, Meters, SCADA System and Computers) | 1,750,000            | 174,923        | 1,924,923           |
| Capital Assets Under Construction   | <u>          </u>    | <u>168,581</u> | <u>168,581</u>      |
| Total at Historical Cost  | 29,134,950           | 459,727        | 29,594,677          |
| Less Accumulated Depreciation for:  |                      |                |                     |
| Infrastructure  | 8,464,170            | 518,162        | 8,982,332           |
| Buildings   | 177,875              | 13,000         | 190,875             |
| Vehicles  | 215,069              | 43,114         | 258,183             |
| Machinery & Equipment   | <u>643,100</u>       | <u>123,291</u> | <u>766,391</u>      |
| Total Accumulated Depreciation  | <u>9,500,214</u>     | <u>697,567</u> | <u>10,197,781</u>   |
| Capital Assets, Net   | <u>\$19,634,736</u>  |                | <u>\$19,396,896</u> |

**NOTE 6 - RETIREMENT PLANS**

Substantially all employees of the District are members of the Middlesex Retirement System. The retirement system is funded by both employer and employee contributions. The District's annual contributions to the retirement system are 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, 2004 were \$69,767.

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 \$12,000 per year (\$14,000 for employees age 50 or older). District match contributions for the year ended June 30, 2004 were \$19,776, which are included in Salaries and Wages.

**WATER SUPPLY DISTRICT OF ACTON**

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Notes to the Financial Statements  
June 30, 2004.

**NOTE 7 - SHORT TERM DEBT AND CURRENT PORTION LONG TERM DEBT**

Short-Term and Current Portion Long Term Debt consisted of the following general obligation bonds at June 30, 2004:

| Description     | Original<br>Amount | Interest<br>Rate | Date of<br>Issue | Date of<br>Maturity | Balance<br>6/30/04 |
|-----------------|--------------------|------------------|------------------|---------------------|--------------------|
| Water Mains '03 | \$455,000          | 1.39%            | 08/26/03         | 08/25/04            | \$455,000          |
| Conant Well II  | \$800,000          | 4.75%            | 06/16/98         | 06/15/05            | <u>130,000</u>     |
| Total           |                    |                  |                  |                     | <u>\$585,000</u>   |

During the year ended June 30, 2004, the following breakdown of payments is reported as "Bonds, Interest and Fees" in the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances:

|                                  | Principal | Interest | Total            |
|----------------------------------|-----------|----------|------------------|
| Water Mains '03                  | \$130,000 | \$12,350 | \$142,350        |
| Conant Well II                   | 125,000   | 12,112   | <u>137,112</u>   |
| Total "Bonds, Interest and Fees" |           |          | <u>\$279,462</u> |

The District also paid down an additional \$65,000 on the Water Mains '03 bond issue from the unexpended balance of that capital project. The water mains have been financed with short term borrowings. The current debt matures August 25, 2004. The District has received a commitment to refinance \$335,000 of this debt and plans to pay off the difference of \$120,000 in cash.

The Conant Well II debt is all reported as "Current Portion Long Term Debt" because there is only one year's principal remaining on that debt issue.

Interest expense of \$18,912 reported in the Statement of Activities reflects the accrual basis calculation of interest actually incurred during the year ended June 30, 2004, regardless of when the actual payments of interest were made by the District. The amounts needed to pay debt requirements as of June 30, 2004 are as follows:

|                                  | Principal        | Interest        | Total            |
|----------------------------------|------------------|-----------------|------------------|
| Fiscal Year Ending June 30, 2005 | <u>\$585,000</u> | <u>\$12,500</u> | <u>\$597,500</u> |

**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. During the year ended June 30, 2003, the District issued \$650,000 of bonds, which was refinanced in the year ended June 30, 2004 down to \$455,000. The District expects to payoff these bonds in August 2004, and to refinance \$335,000 of that debt into new bonds.

On June 30, 2003, the District withdrew from the Insurance Trust Fund, a partnership with the Town of Acton and the Acton Boxboro Regional School District for the administration of health insurance. Final accounting and auditing of the Trust Fund was concluded during the fiscal year ended June 30, 2004. The District received a refund of \$40,000 that has been reported as a decrease against Health and Life Insurance. Another refund (less than \$2,000) may be forthcoming.

The District has joined in a contingent fee class action lawsuit with other municipalities and organizations to challenge major gas and oil companies for allegedly polluting water supplies with the chemical MTBE.

**CONCLUDED.**

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**WATER SUPPLY DISTRICT OF ACTON**

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 Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity  
 For the Year Ended June 30, 2004

|                               | <i>BEGINNING<br/>BALANCE<br/>06/30/03</i> | <i>TRANSFERS<br/>(TO)FROM<br/>GENERAL<br/>FUND</i> | <i>BOND<br/>PAYDOWN</i> | <i>PAYMENTS<br/>MADE</i> | <i>PAYMENTS<br/>RECEIVED</i> | <i>ENDING<br/>BALANCE<br/>06/30/04</i> |
|-------------------------------|---|--|-------------------------|--------------------------|------------------------------|--|
| 4 Wheel Drive Vehicle 03      | \$8,590                                   | (\$8,590)  |                         |                          |                              | \$0                                    |
| Assabet I Well Replacement 04 | 0   | 245,000  |                         | \$94,726                 |                              | 150,274                                |
| Clapp Well Replacement 02     | 4,700                                     |  |                         | 4,700                    |                              | 0                                      |
| Computer Hardware 00          | 1,216                                     |  |                         | 1,216                    |                              | 0                                      |
| Dump Truck with Plow 04       | 0   | 50,000   |                         |                          |                              | 50,000                                 |
| Great Hill Tank 03, 04        | 245,910                                   | 45,000   |                         | 73,855                   |                              | 217,055                                |
| Ken/Mar Treatment Study 02    | 9,886                                     | (30)   |                         | 8,919                    |                              | 937                                    |
| Lawsbrook Land 04             | 0   | 15,000   |                         |                          |                              | 15,000                                 |
| Leak Detection Survey 03      | 0   | 15,000   |                         | 9,797                    |                              | 5,203                                  |
| Radio Read Meters 03          | 90,788                                    |  |                         | 90,788                   |                              | 0                                      |
| Radio Read Meters 04          | 0   | 175,000  |                         | 82,919                   |                              | 92,081                                 |
| SCADA System 99               | 88  | (88)   |                         |                          |                              | 0                                      |
| Van 04                        | 0   | 19,000   |                         | 13,944                   |                              | 5,056                                  |
| Water Main Emergency 01       | 6,653                                     |  |                         | 6,653                    |                              | 0                                      |
| Water Main Emergency 02       | 25,000                                    |  |                         | 808                      |                              | 24,192                                 |
| Water Main Emergency 04       | 0   | 10,000   |                         |                          |                              | 10,000                                 |
| Water Main Replacement 02     | 6,205                                     |  |                         | 6,205                    |                              | 0                                      |
| Water Main Replacement 03     | 25,000                                    |  |                         | 6,983                    |                              | 18,017                                 |
| Water Mains Bonded 03         | 124,782                                   | (20,510)   | (65,000)                | 39,377                   | \$105                        | 0                                      |
| Well Clean and Rehab 02       | 24,670                                    |  |                         | 18,837                   |                              | 5,833                                  |
| Well Clean and Rehab 03       | 50,000                                    |  |                         |                          |                              | 50,000                                 |
| Well Clean and Rehab 04       | 0   | 50,000   |                         |                          |                              | 50,000                                 |
|                               | <u>\$623,488</u>                          | <u>\$594,782</u>                                   | <u>(\$65,000)</u>       | <u>\$459,727</u>         | <u>\$105</u>                 | <u>\$693,648</u>                       |

## **Results of March 17, 2004 Annual Meeting**

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

|                                |                      |
|--------------------------------|----------------------|
| Chairman of the Commissioners: | \$ 1,200.00 per year |
| Two Commissioners:             | \$1,000.00 per year  |
| Moderator:                     | \$50.00 per meeting  |
| Clerk:                         | \$600.00 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, 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.

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 Surplus Revenue the sum of \$50,000 to purchase a new 1.5 or 2 ton dump truck, with plow.

PASSED UNANIMOUSLY

**Article 6.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners 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.

PASSED UNANIMOUSLY

**Article 7.** VOTED that the District 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.

PASSED UNANIMOUSLY

**Article 8.** VOTED that the District transfer from 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.

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 \$10,000 for the purpose of repairing emergency water main breaks.

PASSED UNANIMOUSLY

**Article 11.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners 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.

PASSED UNANIMOUSLY

**Article 12.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners to transfer from Surplus Revenue the sum of \$45,000 for the complete removal of existing paint and priming and repainting of the Great Hill water storage tank.

PASSED UNANIMOUSLY

**Article 13.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners to transfer from Surplus Revenue the sum of \$15,000 for the purpose of conducting a leak detection survey.

PASSED UNANIMOUSLY

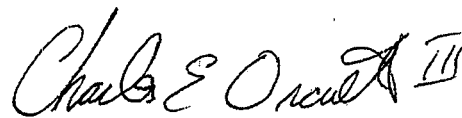
**Article 14.** VOTED that the District authorize the Treasurer, with the approval of the Commissioners to transfer the following unexpended balances remaining after the completion of the new water main project authorized by vote of the District at the Annual Meeting of March 20, 2002 by transferring \$12,000 to the Bond Account and \$8,509.72 to Surplus Revenue.

PASSED UNANIMOUSLY

**Article 15.** VOTED that the District 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.

MOTION FAILS

A TRUE COPY ATTEST:



CHARLES E. ORCUTT III  
DISTRICT CLERK

## **Results of October 25, 2004 Meeting**

The meeting was called to order at 7:00 p.m.

The following articles were voted on:

### **Article 1**

Mr. Stuntz moved and Mr. Phillips seconded the motion that the District vote to transfer from the Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$100,000.00 for the purpose of designing and carrying out a pilot study for water filtration and treatment systems at the Kennedy and Marshall well sites.

The Finance Committee stated that they recommend this article.

Article 1 was unanimously approved..

### **Article 2**

Mr. Parenti moved and Mr. Stuntz seconded the motion that the District vote to amend the vote of the District passed under Article 14 on March 20, 2002, to amend the first clause thereof to read as follows: "Voted: that the District appropriate \$1,500,000 for the laying and relaying of water mains for the purpose of making distribution system improvements in the following roadways, including all legal, bond issuance and other costs incidental thereto: Powdermill Road, Willow Street, Notre Dame Road, Mohawk Drive, Nashoba Road, Central Street, Coughlin Street, Taylor Road, Charter Road, and other public ways in Acton."

Article 2 was unanimously approved.

The meeting adjourned at 7:04 p.m.