

Annual Report

# ACTON WATER

for the year ending

December 31, 2008

# DISTRICT

Warrant Articles for the Annual Meeting  
**March 18, 2009**



**Kennedy Marshall Water Treatment Plant ground breaking, April 2008**

Chris Allen District Manager, Commissioners Ronald Parenti, Stephen Stuntz and Leonard Phillips

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

**[www.actonwater.com](http://www.actonwater.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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# Water District Organization

## ELECTED OFFICIALS

### Commissioners

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

Term Expires 2009  
Term Expires 2010  
Term Expires 2011

### District Clerk

Charles E. Orcutt III

Term Expires 2011

### District Moderator

Richard P. O'Brien

Term Expires 2009

## APPOINTED OFFICIALS

### Finance Committee

William L. Kingman, Chairman  
David A. Butler  
Charles Bradley

Term Expires 2009  
Term Expires 2010  
Term Expires 2011

### District Manager

Christopher D. Allen

Contract Expires 2011

### Treasurer/Collector

Mary J. Bates

Term Expires 2009

### District Counsel

Mary Bassett

Term Expires 2009

### District Assistant Clerk

Helen F. Argento

Term Expires 2009

### Commissioners Secretary

Nancy Peterson

Term Expires 2009

### Auditor

Maureen Waters Mara, CPA, MST

Term Expires 2009

### Water Land Management

#### Advisory Committee

John Cipar  
Margaretha Eckhardt  
Paul Malchodi  
Charles Olmstead  
Barry Rosen

### Water District Staff

Jane Ceraso

Environmental Manager

Elaine Lawson

Secretary /A/P Bookkeeper

Elizabeth Secinaro

A/R Bookkeeper/Secretary

Robert Murch

MIS Coordinator

Stephen G. Peterson, Jr.

Superintendent

Robert Koch

General Foreman

Charles Rouleau

Assistant Foreman

Paul McGovern

Operator/Pump Stations

Andrew Peterson

Operator/Distribution

James Trippier

Operator/Distribution

Robert P. Dionne, Jr.

Operator/Distribution

Keith Kupfer

Operator/Distribution

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 31, 2009  
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  
Moderator for three years

## **Water Supply District of Acton**

### **W A R R A N T**

**March 18, 2009**

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

Acton Public Library  
486 Main Street  
Acton, Massachusetts

On Wednesday, March 18, 2009  
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, 2009, 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 \$25,000 to clean and rehabilitate existing wells throughout the District, 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 \$25,000 for the purpose of repairing emergency water main breaks, 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 replacing old water mains, renewing old water services, replacing old fire hydrants, or to take any other action relative thereto.

**Article 8.** To see if the District will vote to transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$125,000 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 9.** To see if the District will vote to transfer from Surplus Revenue the sum of \$80,000 for the replacement of the granular activated carbon media at the Clapp Whitcomb well sites on Massachusetts Avenue in Acton 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 \$35,000 for engineering services and related costs associated with planned water main improvements on Coughlin Road, Taylor Road, Huckleberry Lane and Main Street in Acton or to take any other action relative thereto.

**Article 11.** To see if the District will vote to appropriate the sum of \$400,000 for the construction of infrastructure improvements to the water distribution systems on Coughlin Road, Taylor Road, and Huckleberry Lane in Acton and that to meet this appropriation, the Treasurer, with the approval of the Water Commissioners, is authorize to borrow this additional sum of \$400,000 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project 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 \$100,000 for the construction of infrastructure improvements to the water distribution system on Main Street in Acton 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 \$600,000 for the construction of infrastructure improvements to the water distribution system on Arlington Street in Acton and that to meet this appropriation, the Treasurer, with the approval of the Water Commissioners, is authorize to borrow this additional sum of \$600,000 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project or to take any other action relative thereto.

**Article 14.** To see if the District will vote to transfer from Surplus Revenue the sum of \$50,000 for the engineering, construction and related costs associated with the installation of an 8 inch altitude valve for the Great Hill storage tank on Main Street in Acton 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 nine.

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

A true copy. ATTEST:

Charles E. Orcutt, III  
District Clerk

**FY 2009 Appropriation and Six Month Expenditures**

**FY 2010 Anticipated Appropriation and Estimated Revenue**

<b>Account Name</b>	<b>FY 2009 Appropriation</b>	<b>July-Dec 2008 Actual</b>	<b>FY 2010 Appropriation</b>
<b>Expense</b>			
Accounting	1,000.00	0.00	100.00
Audit	14,500.00	14,500.00	14,500.00
Auto Maintenance/Fuel	45,000.00	18,212.45	45,000.00
Backflow/Cross Connection	1,000.00	0.00	1,000.00
Bank Fees	1,000.00	400.00	500.00
Bonds, Interest, Fees	600,000.00	26,366.17	610,000.00
Chemicals	25,000.00	9,777.33	30,000.00
Computer Maintenance	15,000.00	2,343.11	15,000.00
DEP Withdrawal	6,500.00	0.00	6,500.00
Employee Education	15,000.00	7,731.89	15,000.00
Engineering	30,000.00	13,555.07	30,000.00
Health/Life Insurance	285,000.00	121,800.86	260,000.00
Hydrants	10,000.00	5,067.00	10,000.00
Insurance	48,000.00	43,091.00	48,000.00
Laboratory Analysis	30,000.00	7,599.85	33,000.00
Legal	22,000.00	9,732.38	22,000.00
Lights/Power/Fuel	300,000.00	156,821.57	300,000.00
Maintenance & Operations	120,000.00	72,523.51	125,000.00
Treatment Plant M&O	0.00	0.00	100,000.00
Middlesex Retirement	84,065.00	84,065.00	108,804.00
Meters	35,000.00	45,329.68	55,000.00
Office Supplies	15,000.00	5,438.32	15,000.00
Paving	12,000.00	1,498.40	20,000.00
Petty Cash	1,000.00	0.00	1,000.00
Postage	15,000.00	5,135.44	15,000.00
Reserve Fund	50,000.00	20,000.00	100,000.00
Salaries & Wages	1,110,000.00	510,138.85	1,110,000.00
Telephone	8,000.00	4,055.42	8,000.00
Information Reports	20,000.00	0.00	20,000.00
<b>Total</b>	<b>2,919,065.00</b>	<b>1,185,183.30</b>	<b>3,118,404.00</b>
<b>Revenue</b>			
Water Revenue	2,521,190.00	1,436,812.02	2,751,154.00
Fire Protection Sprinklers	15,250.00	15,276.29	15,250.00
Rent/Lease	110,000.00	51,672.87	110,000.00
Repairs/Installation	30,000.00	18,522.79	30,000.00
Cross Connection	12,000.00	7,736.76	12,000.00
Demand Fees	200,000.00	52,920.00	200,000.00
<b>Total</b>	<b>2,919,065.00</b>	<b>1,582,940.73</b>	<b>3,118,404.00</b>



**Report of the Treasurer  
Audited Account Balances  
June 30, 2008**

Sovereign Bank A/P	91,899.97
Sovereign Money Market	280,890.05
MMDT	1,132,839.60
Citizens Bank	6,671.15
Webster Bank	138,084.37
First Trade Union	124,046.95
UniBank	1,871,042.59
Total	<u>3,645,474.68</u>

**Report of the Collector  
Audited Account Balances  
June 30, 2008**

Accounts Receivable June 30, 2007	45,777.67
Charges	3,410,849.50
Interest Charges	15,696.77
Refunds	<u>653.20</u>
	3,472,977.14
Payments	3,403,697.21
Abatements	3,831.01
Adjustments	
Outstanding June 30, 2008	<u>65,448.92</u>
	3,472,977.14

**Outstanding Debt  
June 30, 2008**

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Treatment Plant	1,590,000	2.29%	5/20/2008	11/21/2008	1,590,000
Water Mains	700,000	2.29%	5/20/2008	11/21/2005	700,000

Respectfully submitted,  
Mary J. Bates  
Treasurer/Collector

## **Report of Commissioners**

The Commissioners are pleased to make the following report for calendar year 2008 to the customers and staff of the Acton Water District and to the general public. During 2008 the Acton Water District continued progress in projects involving water supply and distribution, summarized as follows. Details of all these activities are included in the accompanying Report of the District Manager or in the Minutes of the Commissioners Meetings, which are posted on our website [www.actonwater.com](http://www.actonwater.com).

Regarding water supply, the Assabet 3 well was pumped to determine quantity and quality of the water. Assabet 3 would be a future source of new capacity. The potential utilization of the Assabet 3 well is viewed by the Commissioners to be extremely important to the Acton Water District, because it is believed to be the only significant undeveloped resource within the District's boundaries. It draws from the same aquifer as the Assabet 1 and 2 wells. District officials and engineering consultants are confident that the water from this source can be effectively treated, but the Commissioners intend to move cautiously through the approval process. Funds were approved by the voters at the last Annual Meeting to conduct initial pumping tests and water quality sampling. All of these actions are in accordance with mandated procedures specified by the State Department of Environmental protection, and must be successfully completed prior to final approval of this well. The formal application process is lengthy and involves extensive public and regulatory input. The District Manager estimates that it is unlikely that Assabet 3 could be connected to the distribution system earlier than 2010.

Substantial progress was made in the construction of a state-of-the-art water treatment plant in North Acton that will eliminate the discoloration of water from the Marshall and Kennedy Wells. In 1999 organic coloring first appeared in the Kennedy Well, then again in 2003, and every year since in the spring, posing an esthetic problem including the staining of plumbing fixtures and clothes. After extensive testing, it was determined that the color was composed of both organic materials—vegetation, and inorganic materials—dissolved manganese and iron. After extensive testing of a spectrum of media, it was determined that ultrafiltration using “Zenon™ membrane media, was the best available technology for solving the problem. The company that developed the media was acquired in 2006 by GE Water & Process Technologies, a unit of General Electric Company. As a result, Zenon is supported by GE, a world-class company.

State-of-the-art technology typically comes with a substantial price tag, and the \$6-million cost of the North Acton water treatment plant will be bonded over a 20-year term, the longest term for a District bond issue to date. Due to recent market volatility the bond will be issued in February, 2009. The District last issued long-term debt on June 15, 1998, for \$800,000 to cover the cost of developing the Conant II Well. The issue term was 7 years at an interest rate of 4.75%. Prior to that, on June 1, 1989, the District bonded \$2,100,000 to cover the cost of building the Wampus Hill tank for a term of 12 years at an interest rate of 6.7%.

Replacement of old water mains in Indian Village proceeded on schedule, as did similar operations in other parts of the system. The deterioration of water mains is an ongoing problem, addressed most efficiently by planned replacement, such as demonstrated in this ongoing project.

The District has upgraded its ability to understand the complex flow of water within our 120 miles of water mains by tasking our consulting engineers Stantec with the application of Bentley® WaterCAD water distribution modeling software. The software now enables the District to optimize annual flushing operations by defining a procedure for setting gates and hydrants that will produce sequential flushing through various regions of the system. In addition, the software was also used to identify the cause of a troublesome water quality problem involving sediment in water primarily in homes along Silver Hill in South Acton.

During 2008, the District was successful in a class action suit brought on behalf of municipal water supplier claimants by Rodman, Rodman and Sandman P.C., against refinery companies using MTBE (methyl tertiary butyl ether), a chemical formerly used as an anti-knock additive to gasoline. Because MTBE is difficult to remove from water, the suit was brought to provide compensation for potential future filtration costs. By the end of 2008, the Water District received approximately \$1 million. The case of one major company is still pending.

The Commissioners wish to acknowledge the continued outstanding progress of the Acton Water District during 2008 achieved by the District's outstanding management and staff. District Manager Christopher Allen has ably applied his management and operations skills and his U.S. Navy training and "take ownership" philosophy during this, his first full calendar year of service to the Acton Water District. The accomplishments of the District staff under his leadership during the past year, despite the challenges of weather, traffic, and fatigue have met all requirements. In addition, our attorney, Mary Bassett, has helped us steer a smooth course through legal obstacles and the dedicated service of the Land-Water Use Committee has provided valuable analysis and direction to the Commissioners.

Respectfully submitted,  
Leonard A. Phillips, Chair  
Stephen C. Stuntz  
Ronald R. Parenti

## **Report of the District Manager**

The following report covers the activities of the District in 2008.

• New Meter Installation	330
• New Housing Units (single family)	45
• New Multi-Family Units	13
• Service lines replaced or renewed	26
• Water mains replaced: Indian Village	6200 linear feet
• Fire hydrants replaced	20

Total gallons pumped in 2008 – 594,125,091 gallons

## **Report of the District Manager**

In recapping the last year, there have been some notable events and changes in our system. Along with breaking ground on the Kennedy-Marshall treatment plant, we made some strides in increasing the integrity of our system with infrastructure upgrades in the Indian Village neighborhood, and finally received a permit to withdraw water from Assabet #3.

We replaced water mains on Seneca Road, Oneida Road and Mohawk Drive. This is an ongoing process, and we will continue to prioritize replacement of water mains to maintain a reliable distribution system. While water quality is of paramount concern, it does not mean much if we cannot get it to your tap reliably. Forthcoming are infrastructure improvements on Coughlin Rd, Taylor St, Huckleberry Lane, Main St and Arlington St.

This year, we will be introducing a landmark event, the start-up of The Kennedy-Marshall Treatment Plant. This state-of-the-art Zenon membrane facility will purify the water pumped from the aquifer in North Acton to remove long standing aesthetic issues that have plagued that area of town for decades. This is our first filtration plant, and certainly not our last. We are already in the planning stages for a facility in South Acton at the Assabet and School St well sites. Providing pure water to all of our customers is our primary mission, and we take it very seriously.

We also received the final Water Management Act Permit for Assabet #3. As we strive to find more capacity to accommodate an ever growing system, the permitting of the Assabet #3 well will go a long way to helping us meet those needs. Furthermore, as we strain our sources, and regulations become more stringent, the need for filtration is necessary.

We are out of the past, and heading into the future, and are on the cusp of many technological changes that will severely increase our system's complexity. With this in mind, staff diversity, training and proficiency are a huge consideration. With increased system complexity comes the need for highly trained personnel to operate in a much more complicated environment. Fortunately, our staff is such a compilation of individuals, highly trained, very competent and very professional.

We look forward to the forthcoming challenges with great anticipation and enthusiasm. I would like to thank the staff of The Water District for their support and critical role in accomplishing our mission; they are the backbone of our operation. I would also like to thank The Board of Water Commissioners and The Finance Committee for their support, guidance, and conscientious and diligent service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Chris Allen', with a stylized, flowing script.

Chris Allen  
District Manager

## **Report of the Finance Committee**

This report covers the calendar year 2008. Audited results are for the fiscal year that ended June 30.

### **Operations**

The District water rates were raised in 2007 and the increased income continues to meet operating expenses. It is the policy of the District to operate in a fiscally conservative manner. As of June 30, 2008 Certified Free Cash, as reflected in the Audited Financial Statements, was \$1,596,021.00. At the March 2008 Annual Meeting it was voted to approve the borrowing of \$6,000,000.00 to meet the cost of \$7,100,000.00 to build the new state of the art treatment plant at the Kennedy-Marshall well site in North Acton. We expect to amortize bond debt over 20 years beginning in 2009. This is the largest debt in the history of the District. The balance of the construction cost will be paid from Free Cash and the Grace Fund. It is anticipated there will be a water rate increase in fiscal year 2011.

### **Balance Sheet Changes**

In November 2008 the District received \$962,427.89 from a nation-wide class action suit against oil industry companies for pollution from the chemical MTBE (methyl tertiary butyl ether). The funds have been placed in a Receipt Reserved for Appropriation Account to be used to “maintain the purity of the District’s water sources, including but not limited to the District wells and well fields, abating and treating for MTBE and all other pollutants found in the District’s water supply”. These funds have been set up in a separate investment account to be managed and invested in accordance with the same guidelines used for the W.R. Grace Receipt Reserved for Appropriation Account as amended March 22, 2000.

Boston Financial Management, Inc. is the investment advisor for the District. The Grace Fund had a market value on December 31, 2008 of \$2,266,037.58 and it is invested 9.8% in cash/cash equivalents, 71.5% in bonds (corporate and US Government Agency issues) and 18.7% in common stocks as of this date. The investment guidelines for the W.R. Grace Fund and MTBE fund limit the investment in common stocks in each fund to a maximum of 50%.

### **Change in Finance Committee Members**

In March 2008 Theodore Jarvis resigned from the Finance Committee and retired after 21 years of service to the District. His insight for the long term objectives and financial integrity of the Acton Water District are much appreciated by the Committee and the District Commissioners. Thank you Ted!

The Moderator of the District appoints members of the Finance Committee. Richard P. O’Brien, on June 16, 2008 appointed David A. Butler to fill out the remaining 3 year term expiring March 2010. Mr. Kingman’s term expires in 2009 and Mr. Bradley’s in 2011. Mr. Butler has lived in Acton for approximately 30 years. He has over 30 years experience in corporate financial management and was formerly the Chief Financial Officer of two different publicly traded technology companies. Mr. Butler also served as a naval officer in the Submarine Force and retired from the Naval Reserve as a Captain. We welcome him to the Finance Committee and look forward to his participation.

We extend our thanks to the Commissioners, District Manager Chris Allen, District Treasurer Mary Jo Bates, District Counsel Mary Bassett and the employees of the District. It is a pleasure to work with all of them. All meetings of the Finance Committee are open to the public. We welcome your interest.

Respectfully submitted,  
William L. Kingman, Chairman  
David A. Butler  
Charles Bradley

## **Environmental Manager's Report for 2008**

On the environmental front, the Acton Water District (AWD) accomplished the following in 2008:

### **Environmental Compliance**

We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA.) We broke ground and made substantial progress on the construction of a state-of-the art membrane treatment plant to reduce natural organic color, iron and manganese and meet future SDWA requirements at the Kennedy and Marshall wells. We continued the pump test and source approval procedures for the new Assabet 3 well and received a draft amended Water Management Act withdrawal permit.

### **Water Conservation**

In May, we were granted an award by the Massachusetts Department of Environmental Protection for having one of the top water conservation programs in the state. Also in May, we held a "Rain Barrel Day" in which we distributed over one hundred and thirty half-price rain barrels to our customers who wanted to capture roof runoff for outdoor watering. We held a free *Irrigation 101* class, open to all customers, to help them better understand and learn to most efficiently operate their irrigation systems. I gave several conservation-related presentations and talks at various events. I continued to serve as the chair of the New England Water Works Association (NEWWA) Conservation Committee, which gives us an opportunity to network with other water supplies who are involved in water conservation efforts in New England.

### **Source Water Protection**

We completed work on a watershed improvement project to protect water quality at the Kennedy and Marshall wells, under a grant from the Massachusetts Executive Office of Environmental Affairs. The project involved the installation of a bio-retention cell (Filterra basin) and an infiltrating water quality swale, both designed to allow for better filtration and recharge in the wellhead area. I served on the Education Subcommittee of Acton's Water Resource Advisory Committee, whose focus in 2008 was water resource protection through proper septic system maintenance.

### **School Education Program**

We taught over 700 Acton-Boxborough students involved in water-related classroom curriculum, and provided tours of our Conant wells to over 100 Acton-Boxborough High School students. We participated in Acton Earth Day at Saint Matthews Church, and Acton-Boxborough Parent Involvement Project's "Science and Technology Fest" at the High School.

### **WR Grace Site Cleanup**

We continued our participation in technical and public meetings and review of documents related to the ongoing Acton-WR Grace site cleanup process. Our primary focus continues to be the cleanup of the existing groundwater plumes, and protection of all current and possible future sources of drinking water in Acton.

Respectfully Submitted,



Jane Ceraso  
Environmental Manager

## **Report of the M.I.S. Coordinator**

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

### **Software and Applications**

This year, rather than development, most of the focus has been on enhancements to the existing applications. I have been fine tuning what we already have to assist the day to day activities of the Acton Water District (AWD) staff. We recently upgraded our web design software to Microsoft Expression Web 2, our website will soon receive a facelift and begin adhering to the standards of web development. The big learning curve for everyone, including myself, was Office 2007, such a radical change by Microsoft in its graphical user interface, did make daily activities cumbersome. A new version of the Win911 program, that monitors alarms from the well sites, was upgraded and the functionality adapted to fit the AWD needs. The newest Win911 version has allowed us to drop our beeper service and keep the alarming redundancy, by incorporating text messaging to the Nextel phones.

### **Impacts from our Economy**

Information Technology has the unique ability to rebuild, enhance and survive, even in the toughest economies. Technology has moved so far in such a short amount of time that most users do not maximize what was developed 5 years ago. Technology has, for the most part, become disposable like everything else and because of this parts and new equipment are relatively cheap. I scaled all purchasing back and focused on improving what we already had.

### **Training**

The next step for me is fully supporting the Supervisory Control and Data Acquisition system (SCADA). I am learning and preparing to take on more responsibility with the hardware that controls the wells and sends that information back to the office via radio. We currently rely on vendors to make changes and fixes to our SCADA system with downtime and cost being sacrificed. So far the training that I have received has brought me down a different path of programming and I am enjoying it very much.

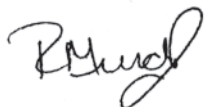
### **Hardware/Technology**

I have rebuilt many of the water Districts PC's this year that would otherwise have been replaced. The main file server is scheduled to be replaced at the end of this fiscal year and provided we have enough money, it will be one item that I am looking at replacing rather than rebuilding. The backup system of the file server that we relied on failed and was replaced with an entirely new piece of hardware that performs backups onto DVD's allowing us to never overwrite data, archive and retrieve data indefinitely and to abide by any existing or future rules and regulations pertaining to data archiving.

### **Meters and Billing**

New laws have allowed landlords to pass down the responsibility of paying for water to their tenants. The only way for landlords to accomplish this is by separately metering each unit. Nagog Woods was the first existing customer to make that move, retrofitting 276 apartments with a meter and transponder that the AWD can read with our newest 'Orion' technology. This move came at just the right time for the Water District because of failing master meters in that neighborhood and excessive usage by tenants unaware of the impact of a leaking toilet.

Respectfully Submitted,



Robert Murch  
MIS Coordinator



WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

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JUNE 30, 2008

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# 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  
Email: mwm@maracpa.com

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### 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, 2008, 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, 2008, 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.

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's 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  
July 30, 2008

## **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, 2008.

### **Financial Highlights**

The assets of the Water Supply District of Acton exceeded its liabilities at the close of the fiscal year by \$21,607,292. (net assets). Of this amount, \$2,303,695 (unrestricted net assets) may be used to meet the ongoing obligations of the District.

The total assets of the District are \$24,731,358. Of this amount, \$5,132,265 represents current assets and \$19,599,093 represents capital assets.

The total liabilities of the District are \$3,124,065. Of this amount, \$3,025,739 represents current liabilities and \$98,326 represents long term liabilities.

Total net assets of the District are \$21,607,292. This includes \$17,004,686 invested in capital assets, net of related debt, \$2,298,911 which is restricted for capital projects and \$2,303,695 which is unrestricted.

The overall financial position of the District is stable. The change in net assets for the fiscal year amounts to an increase of \$847,292.

### **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 \$1,013,906. Actual expenditures were less than budgeted expenditures by \$449,395.

The Fiduciary Fund Financial Statements contain revenues and expenses relating to the W.R. Grace Fund, a restricted fund which can only be used for expenditures relating to improving water quality.

### **Comparison of current year to prior year (Governmental Funds)**

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 was greater than the income for the previous fiscal year by \$1,047,474. Income from water rates and services was \$1,030,119 greater than last year. Interest income was \$17,354 greater than last year.

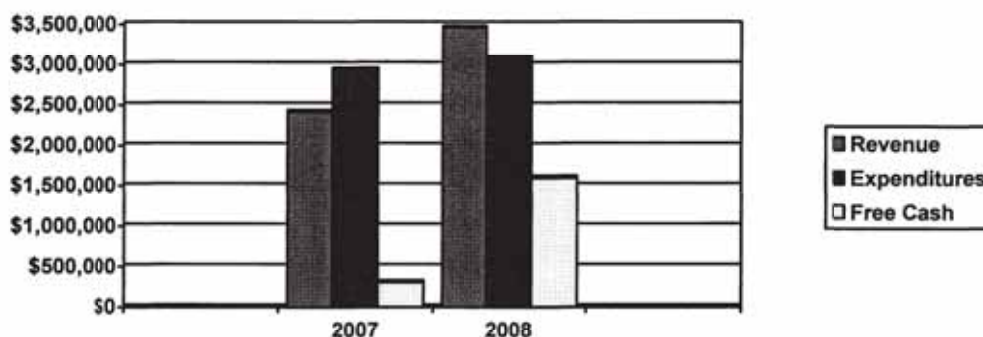


The total revenue for the District was \$3,458,011. Revenue is generated from the sale of water and charging demand fees for new connections according to a schedule adopted by the Board of Water Commissioners. \$57,201 in income was generated from investment income.

Expenditures for the current fiscal increased from the previous fiscal year by \$129,269. Total expenditures for the year amounted to \$3,063,749.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was \$1,596,021. This represents an increase of \$1,292,191.

At the close of the fiscal year there was a balance of \$2,298,911 restricted for capital projects. This represents an increase of \$1,392,070 over the previous fiscal year.



### Capital Assets

The Water Supply District of Acton's investment in capital assets as of June 30, 2008 amounts to \$19,599,093 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment. The District added \$1,250,637 in capital assets this year.

The District has borrowed \$2,290,000, as approved by the voters at District Annual Meeting, for the construction of a treatment plant at the Kennedy/Marshall well site in North Acton and the replacement of water mains in Indian Village. These projects are currently in progress, with the water main project scheduled for completion in the fall of 2008. The treatment plant is expected to be on line in the summer of 2009.

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 \$736,421.

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

### Fiscal Year 2009

The District has appropriated a balanced annual budget for FY 2009 of \$2,919,065. The District anticipates that revenues and expenses will be in line with the current fiscal year.

The District will bond \$7,100,000 in the fall of 2009 to complete construction of the treatment plant and water main projects. The \$2,290,000 will be rolled into this bond issue.

**WATER SUPPLY DISTRICT OF ACTON**

Statement of Net Assets

June 30, 2008

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	<i>Unrestricted Fund</i>	<i>Restricted Cap Projects</i>	<i>Invested in Capital Assets</i>	<i>Total</i>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$1,803,173	\$1,867,579		\$3,670,752
Due from Grace Fund	224,180			224,180
Due from Unrestricted Fund		431,332		431,332
Accounts Receivable	63,000			63,000
Unbilled Accounts Receivable	743,000			743,000
Total Current Assets	2,833,354	2,298,911	0	5,132,265
<i>Non Current Assets</i>				
<i>Capital Assets</i>				
Land			777,225	777,225
Projects in Progress			1,089,413	1,089,413
Depreciable Infrastructure, net			15,922,272	15,922,272
Depreciable Buildings, Property & Equipment, net			1,810,183	1,810,183
Total Non Current Assets	0	0	19,599,093	19,599,093
Total Assets	\$2,833,354	\$2,298,911	\$19,599,093	\$24,731,358
<b>LIABILITIES AND NET ASSETS</b>				
<i>LIABILITIES</i>				
<i>Current Liabilities</i>				
Accounts Payable			\$304,407	\$304,407
Short Term Debt			2,290,000	2,290,000
Due to Capital Projects Fund	\$431,332			431,332
Total Current Liabilities	431,332	0	2,594,407	3,025,739
<i>Long Term Liabilities</i>				
Accrued Compensated Absences	98,326			98,326
Total Liabilities	529,658	0	2,594,407	3,124,065
<i>NET ASSETS</i>				
Net Assets	2,303,695	2,298,911	17,004,686	21,607,292
Total Liabilities and Net Assets	\$2,833,354	\$2,298,911	\$19,599,093	\$24,731,358

**WATER SUPPLY DISTRICT OF ACTON**

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## Statement of Activities

For the Year Ended June 30, 2008

	<i>Unrestricted Fund</i>	<i>Restricted Cap Projects</i>	<i>Invested in Capital Assets</i>	<i>Total</i>
<b>REVENUES</b>				
Water Rates and Services	\$3,518,032			\$3,518,032
Interest Income	54,011	\$3,190		57,201
Total Revenues	3,572,043	3,190	0	3,575,233
<b>EXPENSES</b>				
Salaries and Wages	981,739			981,739
Depreciation Expense			736,421	736,421
Lights, Power and Fuel	279,477			279,477
Health and Life Insurance	237,318			237,318
Maintenance and Operations	114,963			114,963
Middlesex Retirement	73,069			73,069
Insurance	43,624			43,624
Auto Maintenance and Fuel	39,941			39,941
Chemicals	12,645			12,645
Legal	21,662			21,662
Reserve Expense	16,000			16,000
Laboratory Analysis	24,087			24,087
Education	9,927			9,927
Audit	14,500			14,500
Computer Maintenance	13,125			13,125
Information Reports	13,622			13,622
Office Supplies	14,842			14,842
Paving	6,066			6,066
Engineering	9,627			9,627
Postage	14,876			14,876
Hydrants	752			752
Telephone	7,766			7,766
D.E.P. Withdrawal and Fees	5,282			5,282
Meters	34,485			34,485
Petty Cash	800			800
Bank Fees	764			764
Backflow	562			562
Total Expenditures	1,991,520	0	736,421	2,727,941
<i>Revenues Over (Under) Expenditures</i>	1,580,523	3,190	(736,421)	847,292
Net Transfers General Fund to Capital Projects	(171,110)	171,110		0
Bond Proceeds Received		2,290,000	(2,290,000)	0
Capital Project Expenditures		(1,072,230)	1,072,230	0
Net Assets - Beginning of Year	894,282	906,841	18,958,877	20,760,000
Net Assets - End of Year	\$2,303,695	\$2,298,911	\$17,004,686	\$21,607,292

SEE ACCOMPANYING NOTES AND ACCOUNTANTS REPORT

Mara & Associates, PC  
Certified Public Accountants

**WATER SUPPLY DISTRICT OF ACTON**  
**Governmental Funds - Balance Sheet**  
**June 30, 2008**

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	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Total Governmental Funds</i>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$1,803,173	\$1,867,579	\$3,670,752
Accounts Receivable	63,000		63,000
Less Reserve for Uncollectible	(63,000)		(63,000)
Due from Grace Fund	224,180		224,180
Due from General Fund		431,332	431,332
Total Assets	<u>\$2,027,353</u>	<u>\$2,298,911</u>	<u>\$4,326,265</u>
<i>LIABILITIES AND FUND BALANCES</i>			
<i>LIABILITIES</i>			
Due to Capital Projects Fund	<u>\$431,332</u>		<u>\$431,332</u>
Total Liabilities	431,332	0	431,332
<i>FUND BALANCES</i>			
Fund Balance	<u>1,596,021</u>	<u>2,298,911</u>	<u>3,894,932</u>
Total Liabilities and Fund Balances	<u>\$2,027,353</u>	<u>\$2,298,911</u>	<u>\$4,326,265</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS 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, 2008

	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Total Governmental Funds</i>
<b>REVENUES</b>			
Water Rates and Services	\$3,400,810		\$3,400,810
Interest Income	54,011	\$3,190	57,201
Total Revenues	3,454,821	3,190	3,458,011
<b>EXPENDITURES</b>			
Salaries and Wages	981,739		981,739
Lights, Power and Fuel	279,477		279,477
Health and Life Insurance	237,318		237,318
Maintenance and Operations	114,963		114,963
Middlesex Retirement	73,069		73,069
Insurance	43,624		43,624
Chemicals	12,645		12,645
Auto Maintenance and Fuel	39,941		39,941
Legal	21,662		21,662
Laboratory Analysis	24,087		24,087
Information Reports	13,622		13,622
Office Supplies	14,842		14,842
Audit	14,500		14,500
Education	9,927		9,927
Paving	6,066		6,066
Hydrants	752		752
Engineering	9,627		9,627
Postage	14,876		14,876
Telephone	7,766		7,766
D.E.P. Withdrawal and Fees	5,282		5,282
Computer Maintenance	13,125		13,125
Reserve Expense	16,000		16,000
Backflow	562		562
Bank Fees	764		764
Petty Cash	800		800
Meters	34,485		34,485
Capital Project Expenditures		1,072,230	1,072,230
Total Expenditures	1,991,520	1,072,230	3,063,749
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,463,301	(1,069,040)	394,261
<b>OTHER FINANCING SOURCES (USES)</b>			
Net Transfers General Fund to Capital Projects	(171,110)	171,110	0
Bond Proceeds Received		2,290,000	2,290,000
Fund Balances - Beginning of Year	303,830	906,841	1,210,671
Fund Balances - End of Year	\$1,596,021	\$2,298,911	\$3,894,932



**WATER SUPPLY DISTRICT OF ACTON**

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Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances  
to the Statement of Net Assets - For the Year Ended June 30, 2008

Total Governmental Fund Balances	\$3,894,932
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	19,599,093
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The Statement of Activities accrues accounts receivable on billed and  
unbilled waters pumped, whereas in the governmental funds,  
revenue is not reported until collected.

Accounts Receivable	63,000
Unbilled Accounts Receivable	743,000

The Statement of Activities includes short term debt and other liabilities  
whereas in governmental funds these are not reported until paid.

Accounts Payable	(304,407)
Short Term Debt	(2,290,000)
Accrued Compensated Absences	<u>(98,326)</u>

Net Assets of Governmental Activities	<u><u>\$21,607,292</u></u>
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**WATER SUPPLY DISTRICT OF ACTON**

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$394,261
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Governmental funds report capital outlays as expenditures. However,  
in the Statement of Activities, the cost is allocated over the  
estimated useful lives and is depreciated.

Capital Expenditures	1,072,230
Depreciation Expense	(736,421)

Some revenue reported in the Statement of Activities does not provide current  
current financial resources and, therefore, is not reported as revenue  
in the governmental funds.

	<u>117,222</u>
Change in Net Assets of Governmental Activities	<u><u>\$847,292</u></u>



**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, 2008

	<i>Budget</i>	<i>Actual</i>	<i>Variance Positive (Negative)</i>
<b>REVENUES</b>			
Water Rates and Services	\$2,440,915	\$3,400,810	\$959,895
Interest Income	0	54,011	54,011
Total Revenues	2,440,915	3,454,821	1,013,906
<b>EXPENDITURES</b>			
Salaries and Wages	1,097,375	981,739	115,636
Bonds, Interest and Fees	200,000	0	200,000
Lights, Power and Fuel	280,000	279,477	523
Health and Life Insurance	280,000	237,318	42,682
Maintenance and Operations	115,000	114,963	37
Middlesex Retirement	74,540	73,069	1,471
Insurance	50,000	43,624	6,376
Chemicals	20,000	12,645	7,355
Reserve Fund	50,000	16,000	34,000
Laboratory Analysis	30,000	24,087	5,913
Auto Maintenance and Fuel	40,000	39,941	59
Information Reports	20,000	13,622	6,378
Telephone	8,000	7,766	234
Legal	22,000	21,662	338
Computer Maintenance	15,000	13,125	1,875
Office Supplies	15,000	14,842	158
Education	15,000	9,927	5,073
Audit	14,500	14,500	0
Paving	12,000	6,066	5,934
Engineering	12,000	9,627	2,373
Hydrants	10,000	752	9,248
Postage	15,000	14,876	125
D.E.P. Withdrawal and Fees	6,500	5,282	1,218
Bank Fees	1,000	764	236
Cross Connection	1,000	562	438
Accounting	1,000	0	1,000
Meters	35,000	34,485	515
Petty Cash	1,000	800	200
Total Expenditures	2,440,915	1,991,520	449,395
<b>REVENUES OVER EXPENDITURES</b>	0	1,463,301	564,511
<b>OTHER FINANCING SOURCES (USES)</b>			
Net Transfers General Fund to Capital Projects	(171,110)	(171,110)	0
Budgetary Fund Balance - Beginning of Year	303,830	303,830	0
Budgetary Fund Balance - End of Year	\$132,720	\$1,596,021	\$564,511

**WATER SUPPLY DISTRICT OF ACTON**

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Fiduciary Fund - Statement of Fiduciary Net Assets - WR Grace Fund  
June 30, 2008

*ASSETS**Current Assets*

Cash and Cash Equivalents	\$10,222
Investments	<u>2,504,622</u>
Total Assets	<u><u>\$2,514,845</u></u>

*LIABILITIES**Current Liabilities*

Due to the Capital Projects Fund	\$224,180
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*NET ASSETS*

Restricted for WR Grace Fund (water improvement activities)	<u>2,290,665</u>
Total Liabilities and Net Assets	<u><u>\$2,514,845</u></u>

**WATER SUPPLY DISTRICT OF ACTON**

Fiduciary Fund - Statement of Changes in Fiduciary Net Assets - WR Grace Fund  
For the Year Ended June 30, 2008

*ADDITIONS*

Dividend and Interest Income	\$109,453
Net Increase in the Fair Value of Investments	<u>12,332</u>
Total Additions	<u>121,786</u>

*DEDUCTIONS*

Investment Management Fees	8,687
Maintenance and Operations	162,215
Assabet Well	<u>65,898</u>

Total Deductions	<u>236,800</u>
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Additions over (under) Deductions	(115,014)
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Net Assets - Beginning of Year	<u>2,405,679</u>
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Net Assets - End of Year	<u><u>\$2,290,665</u></u>
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**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2008**

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

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

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

**Basis of Accounting and Presentation** - The District reports its financial statements in accordance with both the Governmental Accounting Standards Board Statement 34 (GASB 34) and with the Commonwealth of Massachusetts uniform reporting system. The financial statements include reconciliations that report the differences between the GASB 34 statements and the Commonwealth of Massachusetts statements.

The two reporting standards are briefly described here.

**GASB 34** - This financial model includes the presentation of Management's Discussion and Analysis as well as Government-Wide financial statements that are prepared on the accrual method of accounting. Revenues are reported when earned and expenses are reported when incurred, regardless of when payments are either received or made. The accrual basis financial statements report capital assets and the related depreciation expense and accumulated depreciation. All liabilities are reported, including compensated absences and short and long term debt. The net assets (equity) is reported in three components: invested in capital assets, net of related debt, restricted for capital projects and unrestricted.

**COMMONWEALTH OF MASSACHUSETTS** - This financial model presents the District's governmental funds (the general fund and the capital projects fund). Under this method, revenues are recorded when received and expenditures are recorded when they are paid. Accounts receivable are fully reserved until they are collected and recorded as income.

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

**Budgets and Budgetary Accounting** - The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. Appropriations for the Capital Projects Fund and the 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 straight-line method over the estimated useful lives recommended by the Massachusetts Department of Revenue, Division of Local Services, Bureau of Accounts.

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

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2008**

**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 that 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 Boston Financial Management 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. These objectives are general guidelines and because of a \$600,000 appropriation to be spent this fiscal year and next the investment company was directed to increase the amount invested in cash equivalents. At June 30, 2008, the funds were invested 21% in equities, 56% in fixed income obligations and 23% in cash equivalents.

The WR Grace Fund investments are carried at fair value. During the year ended June 30, 2008, the District realized a net gain of \$358,111 from the sale of investments. The net increase in the fair value of investments during the year was \$12,859. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

During the year ended June 30, 2006 the Finance Committee became aware that approximately half of the WR Grace Fund investments were not on the "legal list" of investments permitted by Massachusetts General Laws. During the years ended June 30, 2008 and 2007 the Finance Committee, in cooperation with the investment firms, restructured the portfolio so that all investments comply with the legal list.

**NOTE 4-INTERFUND RECEIVABLE/ PAYABLE**

At June 30, 2008, \$431,332 is due to the Capital Projects Fund from the General Fund and \$224,180 is due to the General Fund from the Grace Fund.

**NOTE 5 - RETIREMENT PLANS**

Substantially all employees of the District are members of the Middlesex Retirement System. The retirement system is funded by both employer and employee contributions. The District's annual contributions to the retirement system are 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, 2008 were \$73,069.

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 \$15,500 per year (\$20,500 for employees age 50 or older). District match contributions for the year ended June 30, 2008 were \$24,959, which are included in Salaries and Wages.

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2008**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the District the year ended June 30, 2008 consisted of the following:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 777,225			\$ 777,225
Infrastructure	26,938,505	103,143		27,041,648
Buildings	520,000	564,969		1,084,969
Vehicles	372,444		(11,390)	361,054
Machinery & Equipment	2,197,004			2,197,004
Capital Assets Under Construction	506,888	582,525		1,089,413
Total at Historical Cost	31,312,066	1,250,637	(11,390)	32,551,313
Less Accumulated Depreciation				
Infrastructure	10,579,624	539,752		11,119,376
Buildings	229,875	13,000		242,875
Vehicles	207,633	39,349	(11,390)	235,592
Machinery & Equipment	1,210,057	144,320		1,354,377
Total Accumulated Depreciation	12,227,189	736,421	(11,390)	12,952,220
Capital Assets, Net	\$19,084,877			\$19,599,093

**NOTE 7 - SHORT TERM DEBT**

Short term debt consisted of a six month Massachusetts Bond Anticipation Note for \$2,290,000 allocated to the following capital projects:

Description	Interest Rate	Date Issued	Maturity Date	Balance 6/30/07	Balance 6/30/08
Water Treatment Plant	2.29%	May 20, 2008	Nov 21, 2008	0	\$1,590,000
Water Mains	2.29%	May 20, 2008	Nov 21, 2008	0	\$ 700,000

Interest and principal are due at maturity. No repayments were made during the year ended June 30, 2008. Accordingly, no payments are reported in the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances. No interest and fees expense is reported in the Statement of Activities.

Construction of the water treatment plant and water mains is currently in process and is being substantially financed, initially by this short term Massachusetts Bond Anticipation Note. This note will be refinanced at its maturity with a similar short term financing. The District is planning on refinancing the debt into long term borrowing when the projects are completed.



**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2008**

**NOTE 7 - SHORT TERM DEBT (continued)**

As of June 30, 2008 the District has authorized and unissued debt as follows:

Purpose	Date of Vote	Amount Authorized	Amount Issued	Amount Unissued
Water Mains	March 20, 2002	\$1,500,000	\$1,300,000	\$ 200,000
Treatment Plant	March 21, 2007	4,400,000	1,590,000	2,810,000
Treatment Plant	March 19, 2008	1,700,000	0	1,700,000
Water Mains	March 19, 2008	1,200,000	700,000	500,000
Total		\$8,800,000	\$3,590,000	\$5,210,000

**NOTE 8 - COMMITMENTS**

The District has entered into certain contracts for construction of the water treatment plant and water main installations.

The District is a plaintiff in a national class action lawsuit against gasoline companies for contaminating water supplies with the chemical MTBE. The lawsuit appears to be in the final stages of settlement, and the District may receive a monetary settlement, after contingent legal fees are deducted, of approximately \$900,000. Due to the uncertainty of the time and amount of this settlement, it has not been accrued in the current financial statements.

CONCLUDED.

**WATER SUPPLY DISTRICT OF ACTON**

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Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity  
For the Year Ended June 30, 2008

	<i>Beginning Balance 06/30/07</i>	<i>Transfers (to)from Genl Fund</i>	<i>Payments Made</i>	<i>Bond Proceeds &amp; Interest</i>	<i>Ending Balance 06/30/08</i>
Eminent Domain Knox Trail 08		\$10,500			\$10,500
Garage Addition 06	\$214,312		\$214,281		31
Indian Village Engineering 08		35,000	8,852		26,148
Indian Village Water Mains 08				\$750,000	750,000
Kennedy Marshall Engineering 07	569,800		320,343	3,190	252,647
Kennedy Marshall WTP 08			425,611	1,540,000	1,114,389
Leak Detection Survey 08		15,000	12,600		2,400
Master Plan Update 06	37,650		11,499		26,151
New Service Vehicle 06	4,390	(4,390)			0
UniDirectional Flushing 08		45,000			45,000
Water Main Emergency 07	15,790		10,868		4,922
Water Main Emergency 08		25,000			25,000
Water Main Replacement 06	13,665		13,665		0
Water Main Replacement 07	20,000		1,346		18,654
Water Main Replacement 08		20,000			20,000
Well Clean and Rehab 06	6,234		6,234		0
Well Clean and Rehab 07	25,000		25,000		0
Well Clean and Rehab 08		25,000	21,931		3,069
	<u>\$906,841</u>	<u>\$171,110</u>	<u>\$1,072,230</u>	<u>\$2,293,190</u>	<u>\$2,298,911</u>

See Independent Auditor's Report

# **Water Supply District of Acton**

Acton Public Library

486 Main Street

March 19, 2008 • 7:30 P.M

The meeting convened at 7:30 pm at the Acton Public Library, 486 Main Street, Acton, MA. The meeting adjourned at 8:45 pm.

**Article 1.** To fix salaries of the elected officials.  
UNANIMOUSLY APPROVED

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

**Article 3.** To 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, 2008, 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.

UNANIMOUSLY APPROVED

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

**Article 5.** To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 to clean and rehabilitate existing wells throughout the District, or to take any other action relative thereto.  
UNANIMOUSLY APPROVED

**Article 6.** To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 for the purpose of repairing emergency water main breaks, or to take any other action relative thereto.  
UNANIMOUSLY APPROVED

**Article 7.** To see if the District will vote to transfer from Surplus Revenue the sum of \$20,000 for the purpose of replacing old water mains, renewing old water services, replacing old fire hydrants, or to take any other action relative thereto.

UNANIMOUSLY APPROVED

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

**Article 9.** To see if the District will vote to transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$125,000 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.  
UNANIMOUSLY APPROVED

**Article 10.** To see if the District will vote to transfer from Surplus Revenue the sum of \$35,000 for the engineering services and related costs and expenses associated with the design and construction of water main improvements on Mohawk Drive, Seneca Road and Oneida Road in Acton or to take any other action relative thereto.  
UNANIMOUSLY APPROVED



**Article 11.** To see if the District will vote to appropriate \$1,200,000 for the construction and related costs of infrastructure improvements to the water service on Mohawk Drive, Seneca Road and Oneida Road in Acton, and that to meet this appropriation, the Treasurer, with the approval of the Water Commissioners, is authorize to borrow up to \$1,200,000 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project or to take any other action relative thereto.

UNANIMOUSLY APPROVED

**Article 12.** To see if the District will vote to transfer from Surplus Revenue the sum of \$100,000 for the purchase and installation of an ultraviolet disinfection reactor at the Christofferson well on School Street in Acton, or to take any other action relative thereto.

ARTICLE TABLED

**Article 13.** To see if the District will vote to appropriate an additional \$1,700,000, to supplement the appropriation of \$4,400,000 from Article 10 of the Annual Meeting of March 21, 2007, for the construction and related costs of a water treatment facility at the Kennedy and Marshall well sites off of Main Street in North Acton, and that to meet this appropriation, the Treasurer, with the approval of the Water Commissioners, is authorize to borrow this additional sum of \$1,700,000 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project or to take any other action relative thereto.

The printed motion was amended to \$1,700,000.

THE AMENDMENT WAS UNANIMOUSLY APPROVED.

THE AMENDED ARTICLE WAS UNANIMOUSLY APPROVED

**Article 14.** To see if the District will vote to transfer from Surplus Revenue the sum of \$45,000 for design of a uni-directional water flushing program for West Acton and North Acton or to take any other action relative thereto.

UNANIMOUSLY APPROVED

**Article 15.** To see if the District will vote to transfer from Surplus Revenue the sum of \$10,500 and to authorize the Commissioners to acquire by purchase, gift, take by eminent domain, or otherwise acquire a parcel of land at 30 Knox Trail, owned by or formerly owned by R & K Partners Trust, and being shown as Parcel A on a plan prepared for the District and entitled "Plan of Land in Acton, Massachusetts," dated September 12, 2007 containing 35,308 square feet, more or less, and being part of the land described in deed recorded in Middlesex South Registry of Deeds, Land Court Certificate 177339, Land Registry Book 1016, Page 189; said land acquisition is for purpose of protection of the water supply and water sources at the Assabet well fields in South Acton, or to take any other action relative thereto.

UNANIMOUSLY APPROVED

**Article 16.** To see if the District will vote to authorize the Commissioners to enter into a long-term written lease, with options to extend for a period not to exceed twenty (20) years, for the purpose of a telecommunication tower and associated building on land owned by the District on Great Hill, located off Main Street in South Acton, on the same parcel of land where there already exists a cell tower with several cell providers co-located on the same tower. The written lease shall include an annual rental charge not less than the current annual rent for the use of the property and shall provide for annual increases based on the consumer price index. The lease shall include other terms, conditions and limitations as the Commissioners shall deem necessary and proper to protect the public water supply, to satisfy the requirements and regulations of the Department of Environmental Protection, and be in compliance with all the terms and conditions of the special permit issued by the Town of Acton, or to take any other action relative thereto.

UNANIMOUSLY APPROVED

**Article 17.** To see if the District will vote to authorize the Treasurer, with the approval of the Commissioners to transfer to Surplus Revenue the unexpended balance in the sum of \$4,390.49, Article 2, of the Special Meeting of November 27, 2007, for the purchase of a new vehicle, or take any other action relative thereto.

UNANIMOUSLY APPROVED

**Article 18.** To see if the District will vote to authorize the Commissioners, contingent on approval from the Massachusetts Department of Environmental Protection, to grant an easement to the Town of Acton, for use as a sidewalk on Main Street, Acton, on District property located inside the Zone I groundwater protection area, off of the easterly side of Lots A and B as shown on a Plan of Land recorded in the Middlesex South District Registry of Deeds, at the end of Book 10556, commonly known as the Conant I well site, or to take any other action relative thereto.

UNANIMOUSLY APPROVED

## Special District Meeting September 22, 2008

The Special Meeting of the Water Supply District of Acton was held on September 22nd 2008. Enclosed are the Articles and Abstracts of the actions taken at this meeting. All Articles were passed unanimously. Articles 1 through 6 call for transfers from Surplus Revenue.

**Article 1.** To see if the District will vote to transfer from Surplus Revenue the sum of \$23,000 and authorize the Commissioners to acquire by purchase, gift, take by eminent domain, or otherwise acquire a parcel of land at 962 Main Street, Acton, MA owned by or formerly owned by Acton Industrial Development Co., Inc., and being shown as Parcel X on a "Plan of Land in Acton and Westford, Massachusetts," dated September 13, 1987, recorded in the Middlesex South Registry of Deeds, at Book 18803, Page 421 containing 8,712 square feet, more or less, and being part of the land described in a deed recorded in said registry at Book 18683, Page 224; said land acquisition is for purpose of complying with the zoning bylaws of the Town of Acton as required for the construction of the water treatment facility at the Kennedy-Marshall well sites off of Main Street in North Acton and for protection of the water supply and water sources at those well fields, or to take any other action relative thereto.

PASSED UNANIMOUSLY

**Article 2.** To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 for the purpose of cleaning and rehabilitating the water system's production wells in order to improve water quality, or to take any other action relative thereto.

PASSED UNANIMOUSLY

**Article 3.** To see if the District will vote to transfer from Surplus Revenue the sum of \$ 40,000 for the engineering costs related to proposed water main improvements on Main Street, Coughlin Street, Huckleberry Lane and Taylor Street in Acton, or to take any other action relative thereto.

PASSED UNANIMOUSLY

**Article 4.** To see if the District will vote to transfer from Surplus Revenue the sum of \$600,000 to pay off the outstanding bond obligation for the completed Indian Village water main replacement project, or to take any other action relative thereto.

PASSED UNANIMOUSLY

**Article 5.** To see if the District will vote to transfer from Surplus Revenue the sum of \$45,000 to purchase a new service truck and authorize the Commissioners to trade or sell the District's 2000 Chevrolet K30 service truck, or to take any other action relative thereto.

PASSED UNANIMOUSLY

**Article 6.** To see if the District will vote to transfer from Surplus Revenue the sum of \$25,000 to purchase a new mid-size pick-up truck and authorize the Commissioners to trade or sell the District's 2002 Ford Ranger, or to take any other action relative thereto.

PASSED UNANIMOUSLY

## Annual Election Results

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

Tuesday April 1, 2008

Election held at the 6 precincts of the town of Acton. The polls were open from 7AM to 8 PM

Number of ballots cast: 2196

Commissioner for 3 years:

Stephen C. Stuntz 1650

Clerk for 3 years:

Charles E. Orcutt III 1668

## **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.



Water Supply District of Acton  
P.O. Box 953  
Acton, MA 01720

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