

# Acton Water District

**Annual Report for the year ending December 31, 2009**

**Warrant Articles for the Annual Meeting  
March 17, 2010**



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**On the cover** —The District's state-of-the-art *North Acton Water Treatment Plant* placed in service June of 2009. The plant utilizes GE Process Water Technologies membrane filters to remove organic and inorganic material from the water in the District's Kennedy and Marshall wells.

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

**[www.actonwater.com](http://www.actonwater.com)**

Our mailings are always available on our website.

If you would prefer to opt out of receiving future mailings by U.S. Postal Service, please visit our website and click on opt out.

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

Ronald R. Parenti	Term Expires 2010
Stephen C. Stuntz	Term Expires 2011
Leonard A. Phillips, Chairman	Term Expires 2012

### District Clerk

Charles E. Orcutt III	Term Expires 2011
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### District Moderator

Richard P. O'Brien	Term Expires 2012
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## APPOINTED OFFICIALS

### Finance Committee

David A. Butler, Chairman	Term Expires 2010
Charles Bradley	Term Expires 2011
William L. Kingman	Term Expires 2012

### District Manager

Christopher D. Allen	Contract Expires 2011
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### Treasurer/Collector

Mary J. Bates	Term Expires 2010
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### District Counsel

Mary Bassett	Term Expires 2010
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### District Assistant Clerk

Helen F. Argento	Term Expires 2010
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### Commissioners Secretary

Lynn Protasowicki	Term Expires 2010
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### Auditor

Maureen Waters Mara, CPA, MST	Term Expires 2010
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### Water Land Management

Advisory Committee	John Cipar Margaretha Eckhardt Paul Malchodi Charles Olmstead Barry Rosen
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### Water District Staff

Matt Mostoller	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
Paul McGovern	Operator/Pump Stations
Charles Rouleau	Assistant Foreman
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 30, 2010  
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

## **Water Supply District of Acton**

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

**March 17, 2010**

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 17, 2010  
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, 2010, 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 \$30,000 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 \$25,000 for the purpose of replacing old water mains, renewing old water services, replacing old fire hydrants, or to take any other action relative thereto.

**Article 8.** To see if the District will vote to transfer from Receipt Reserve for Appropriation Account (MTBE) 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 Receipt Reserve for Appropriation Account (MTBE) the sum of \$150,000 for pilot studies for water treatment in South Acton, or to take any other action relative thereto.

**Article 10.** To see if the District will vote to transfer the balance of the MTBE settlement funds in the approximate amount of \$777,000, now in a Receipt Reserved for Appropriation Fund, into a Stabilization Fund for the purpose of future capital projects, treatment for contaminants in the water supply, reduction of outstanding bonds or for any other lawful purpose as voted by a future district meeting 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 \$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 12.** To see if the District will vote to transfer from Surplus Revenue the sum of \$40,000 for engineering services and related costs associated with planned water main improvements on Arlington 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 \$250,000 for the construction of infrastructure improvements to the water distribution system on Arlington Street in Acton 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 \$15,000 for a leak detection survey throughout the District, or to take any other action relative thereto.

**Article 15.** To see if the District will vote to transfer from Surplus Revenue the sum of \$260,000 to pay down the bond issued for construction and related costs associated with the water main improvements on Main Street in Acton, per District vote in Article 11 at the Annual Meeting on March 18, 2009 or to take any other action relative thereto.

**Article 16.** To see if the District will vote to transfer from Surplus Revenue the sum of \$20,000 for the internal cleaning of all water storage tanks in the District's water system or to take any other action relative thereto.

**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 following unexpended balances remaining after the completion of projects authorized by vote of the District:

- A. Unexpended balance in the sum of \$9,103.00, Article 6, of the Special Meeting of September 22, 2008, for the purchase of a new mid-size pick-up truck.
- B. Unexpended balance in the sum of \$1,100.00, Article 1, of the Special Meeting of November 27, 2006, for the Master Plan Update.
- C. Unexpended balance in the sum of \$5,951.00, Article 9, of the Annual Meeting of March 18, 2009, for carbon media replacement.
- D. Unexpended balance in the sum of \$1,931.00, Article 2, of the Annual Meeting of March 19, 2008, for the system-wide leak detection survey.
- E. Unexpended balance in the sum of \$30.69, Article 3, of the Annual Meeting of March 15, 2006, for purchase of engineering and construction of a new garage.

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 11th day of January in the year two thousand and ten.

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

A true copy. ATTEST:

Charles E. Orcutt, III  
District Clerk



## FY 2011 Budget and Estimated Revenue

### FY 2010 Appropriation with Six Month Expenditures

	Budget FY 2010	6 month expenditure	Budget FY 2011
<b>EXPENSES</b>			
Accounting	100	-	1,000
Audit	14,500	14,500	14,500
Auto Maint & Fuel	45,000	21,883	50,000
Backflow/Cross Conn	1,000	-	1,000
Bank Fees	500	-	500
Short Term Debt	113,200	-	125,200
Long Term Debt	496,800	98,400	484,800
Chemicals	30,000	11,870	35,000
Computer Maintenance	15,000	10,733	15,000
DEP Withdrawal	6,500	-	6,500
Employee Education	15,000	4,789	15,000
Engineering	30,000	30,000	50,000
Health/Life Insurance	260,000	123,075	275,000
Hydrants	10,000	-	10,000
Insurance	48,000	46,003	52,000
Laboratory Analysis	33,000	13,351	33,000
Legal	22,000	10,100	25,000
Lights/Power/Fuel	300,000	137,814	320,000
Maintenance & Operations	125,000	52,423	125,000
Treatment Plant M&O	100,000	31,510	100,000
Middlesex Retirement	108,804	108,804	113,700
Meters	55,000	52,050	70,000
Office Supplies	15,000	2,207	15,000
Paving	20,000	20,000	25,000
Petty Cash	1,000	400	1,000
Postage	15,000	5,731	15,000
Reserve Fund	100,000	20,000	100,000
Salaries & Wages	1,110,000	549,488	1,132,200
Telephone	8,000	4,416	10,000
Information Reports	20,000	1,385	20,000
Total	3,118,404	1,370,932	3,240,400
<b>REVENUE</b>			
Water Revenue	2,751,154	1,363,058	2,873,150
Fire Protection Sprinklers	15,250	15,547	15,250
Rent/Lease	110,000	49,127	110,000
Repairs/Installation	30,000	16,266	30,000
Cross Connection	12,000	8,073	12,000
Demand Fees	200,000	56,760	200,000
Total	3,118,404	1,508,831	3,240,400

**Report of the Treasurer  
Audited Account Balances  
June 30, 2009**

Sovereign Bank A/P	34,046.19
Sovereign Money Market	88,181.70
MMDT	492,057.65
Citizens Bank	6,681.41
Webster Bank	140,391.19
First Trade Union	126,541.93
UniBank	1,352,971.06
Total	<u>2,240,871.13</u>

**Report of the Collector  
Audited Account Balances  
June 30, 2009**

Accounts Receivable June 30, 2008	65,448.92
Charges	2,764,998.16
Interest Charges	16,528.03
Refunds	<u>1,055.35</u>
	2,848,030.46
Payments	2,721,955.56
Abatements	29,076.81
Adjustments	
Outstanding June 30, 2009	<u>96,998.09</u>
	2,848,030.46

**Outstanding Debt  
June 30, 2009**

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Treatment Plant	6,000,000	2.29%	5/20/2008	2/15/2029	6,000,000
Water Mains	560,000	1.94%	6/1/2009	6/1/2010	560,000

Respectfully submitted,  
Mary J. Bates  
Treasurer/Collector



## **Report of Commissioners**

The Commissioners are pleased to provide the following annual summary for fiscal year 2009 to the members of the Water Supply District of Acton. As the elected executive board of the Water District, it is the responsibility of the Commissioners to establish policy and provide long-range guidance to the District Manager. This year we are pleased to report that a number of significant improvements to the water distribution system were made, including completion of the North Acton Treatment plant that was built to eliminate discoloration in the water pumped from the Kennedy and Marshall wells. We also note that the settlement of the class action litigation to recover damages for the oil industry's use of methyl tertiary butyl ether (MTBE) was finalized this year, and that the District's share of that settlement was slightly over \$1,000,000. Subject to voter approval, most of this money will be placed in a stabilization fund specifically earmarked for infrastructure improvements related to water treatment.

The completion of the filtration facility in North Acton represents the terminus of a lengthy process that began with a series of pilot studies initiated in 2005. Since the materials that cause discoloration in the water from the Kennedy and Marshall wells do not represent a health risk, it was hoped that a relatively inexpensive remediation method could be identified to resolve this issue. Unfortunately the removal of the small-diameter particulate matter dissolved in the water from that aquifer has proven to be an extremely difficult problem. The Zenon membrane approach that was ultimately selected represents a new and highly effective technology, but the implementation of this technology has come at a high price. The cost of the completed facility, which is now operational, has exceeded \$6,000,000.

The District's experience with the North Acton project should be viewed as a blueprint for future treatment installations. The list of contaminants that water districts in Massachusetts are required to test for and remove continues to expand, and for many of these materials effective remediation techniques have not yet been developed. Trace levels of pharmaceutical substances, which have only recently been identified as a potential source of concern, is an example of a class of materials that is particularly difficult to remove from the distribution system. The Commissioners anticipate that it will eventually be necessary to add treatment to each of the District's wells, and each of those filtration plants may need to be specifically tailored to address the unique characteristics of the local environment. Long-range planning to meet this need is already underway, and to address the anticipated technical and financial challenges the Commissioners and the District Manager will rely heavily on the advice of the Environmental Manager, Finance Committee, and Water Land Use Committee.

The Commissioners are pleased to acknowledge the accomplishments of the District Manager, Chris Allen, and his staff during the past year. We note that the smooth operation of the Water District is primarily the result of their hard work, dedication, and technical expertise.

Respectfully submitted

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

## **Report of the District Manager**

The following report covers the activities of the District in 2009.

• New Meter Installation	328
• New Housing Units (single family)	27
• New Multi-Family Units	54
• Service lines replaced or renewed	36
• Water mains replaced: Indian Village	10,000 linear feet
• Fire hydrants replaced	10

Total gallons pumped in 2009 – 590,450,615 gallons

### **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.

## **Report of the District Manager**

In recapping the last year, there have been some notable events and changes in our system. The start-up of The North Acton Water Treatment Plant will solve long-standing aesthetic issues in that area of town. We made some strides in increasing the integrity of our system with infrastructure upgrades and improvements on Taylor Road, Coughlin Street, Huckleberry Lane and Main Street. As we continue to move forward with necessary capital improvements, we are making recommendations to our governing bodies for a water rate increase that will be effective in July of this year.

In June of 2009, we started up The North Acton Water Treatment Plant, our new State-of-the-art membrane filtration facility. This plant is removing nuisance constituents in the source waters from the Kennedy and Marshall wells, and we are currently meeting, or exceeding, all of our treatment goals. In 2010 we will be asking the district voters for funding to begin the investigative process for full-scale filtration in South Acton to clean-up long-standing aesthetic water quality issues in that area of town. Providing pure water to all of our customers is our primary mission, and we take it very seriously.

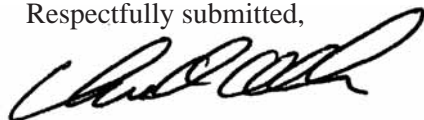
We installed water mains on Taylor Road, Coughlin Street, and made improvements on Huckleberry Lane and Main Street. This is an ongoing process, and we will continue to prioritize replacement of water mains to maintain a reliable distribution system. While water quality is of paramount concern, it does not mean much if we cannot get it to your tap reliably and safely. Forthcoming in spring of 2010 is the water main project that will involve the replacement of 3400-feet of problematic pipe on Arlington Street in West Acton.

From a regulatory standpoint, it was an active year. In December, The Groundwater Rule was activated in an effort to minimize the potential microbial contamination of groundwater sources. This regulation will place a significant amount of strain on our fiscal operating budget due to an increased level of compliance monitoring that must be done and system changes that must be implemented. Additionally, per mandates, we revised our Emergency Response Plan (ERP) to meet new guidelines promulgated by MA Department of Environmental Protection (MA DEP) to promote heightened awareness and emergency readiness.

It is a very dynamic time in public water supply, and, specifically, in the town of Acton. We have made major positive changes to our system in the recent past and there are more on the immediate horizon. We are committed to the improvement of the quality of life, and the quality of water, in our community. With costs rising, it is always tough to consider the necessity of a water rate increase. However, in order to continue the necessary improvements to our system, we must generate revenue sufficient to fund these projects. Please monitor our web site, periodic publications, and bill inserts for more information as it becomes available.

I would like to thank the staff of The Water District for their support in the critical role of 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. Individually, I would like to thank Jane Ceraso for her dedicated, professional service for the last decade. Jane left us in June of 2009, and her smiling face and upbeat attitude are missed here at The Water District. In the same vein, I would like to welcome Matt Mostoller. Matt replaced Jane and has "Hit the ground running"! We look forward to many years of Matt performing at an extremely high level as an environmental custodian for Acton.

Respectfully submitted,



Chris Allen  
District Manager

## **Report of the Finance Committee**

This report covers the calendar year 2009. The audited financial results are for the fiscal year ended June 30, 2009.

### **Significant Events**

Calendar Year 2009 contained several events that will likely have significant long term impacts on the District and the rate payers. In February 2009, the District finalized the placement of 20 year bond debt in the amount of \$6,000,000 for the North Acton Treatment Plant at the Kennedy-Marshall well site. Because of the conservative manner in which the District has been operated, and the prompt replies by our District Manager and our District Treasurer to the underwriters and the external rating agency used by the underwriters, the Bond was rated AA + by Standard and Poor's, which allowed the District to receive a more favorable (lower) interest rate than expected. The bond has a 20 year amortization schedule and carries a stated interest rate of 3.575%. Standard and Poor's also noted that our District is one of the few that maintains a separate and independent Finance Committee.

During 2009, the District received additional funds from settlement of claims in the nationwide class action lawsuit for MTBE (methyl tertiary butyl ether) pollution. These funds were invested in a separate investment account to be managed under the same guidelines used by the W.R. Grace Reserved for Appropriation account as amended March 22, 2000.

In September 2009, the District was informed by the Massachusetts Department of Revenue (MA DOR) that it would require MTBE settlements to be accounted for under specific MA DOR direction, which would not allow the District to use the accounting and the District investment guidelines previously used for the W.R. Grace settlement. While the District seeks legislative relief to allow use of the W.R. Grace settlement and investment guidelines for the MTBE settlements and investments, it will take all steps necessary to be in compliance with the MA DOR directives until such relief is granted.

### **Rate Changes**

The Finance Committee has concurred with District Management's recommendation that there be a usage rate increase in 2010 (the first since 2007). It also recommended that the District review (and appropriately increase) its FEE schedule.

### **Looking Forward**

While the financial condition of the District is currently sound, there are significant future challenges likely to be faced by the District. While neither of these future challenges is either imminent or forecast-able today, the ratepayers should be aware that circumstances could rapidly change.

1. As science advances, the ability to detect heretofore undetectable amounts of different substances increases rapidly. That raises the strong and distinct possibility of future additional regulations requiring construction of new treatment facilities to handle these currently unknown or now undetectable substances.
2. Additionally, the distribution infrastructure is aging, and in some areas approaching its service life expectancy. The District will have to evaluate the long term costs of replacing portions of the distribution infrastructure on a systematic basis versus incurring the continual costs of repairing known problems as it currently does.

Both of these items would require major capital expenditures (and subsequent increases in water rates and fees).

### **Finance Committee**

The Moderator of the District (Richard P. O'Brien) appoints the members of the Finance Committee. Mr. Butler's term expires March, 2010, Mr. Bradley's term expires in March 2011, and Mr. Kingman's term expires in March 2012. All meetings of the Finance Committee are open to the public and we would welcome your interest.

We extend our thanks to the Commissioners, the District Manager (Chris Allen); District Treasurer (Mary Jo Bates), District Counsel (Mary Bassett, Esq.) and the employees of the District. We greatly appreciate their openness and co-operation and it has been our pleasure to work with them.

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

## **Environmental Manager's Report**

I would like to thank Jane Ceraso for her 10 years of service as the Environmental Manager; she has established a solid water conservation program enabling us to increase our focus on improving water quality at the tap. On the environmental front, the Acton Water District (AWD) accomplished the following in 2009.

### **Environmental Compliance**

We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA). Operation of the North Acton Water Treatment Plant was initiated this summer. Treated water from the Kennedy and Marshall wells has been delivered to our customers with noted improvements in the aesthetics quality of the water. Efforts have begun to assess treatment needs at the South Acton wells. Two regulatory changes occurred this year with effective dates in December 2009. The first is the Groundwater Rule, which is designed to further protect wells, such as those in Acton, from viral and microbial contamination. The second rule required a more robust emergency response planning effort for all water suppliers. I was able to work with water suppliers from neighboring communities to update our plan to be compliant should we ever need to respond to an emergency.

### **Water Conservation**

In 2009, we offered water conservation rebates for customers replacing older toilets and washing machines with EPA WaterSense toilets and Consortium of Energy Efficiency Tier 3 washing machines. This resulted in 31 washing machines and 30 toilets being replaced with more water efficient models. Also in May, we held a "Rain Barrel Day" in which we distributed over one hundred water conserving barrels. I joined as a member of the New England Water Works Association (NEWWA) Conservation Committee, which gives us an opportunity to network with other water supplies and interested parties who are involved in water conservation efforts in New England.

### **Source Water Protection**

I served as staff support to Acton's Water Resource Advisory Committee, whose focus in 2009 was changed to water resource protection through improving storm water regulations and management practices. Initially it had been focusing on water resource education and studying waste water management districts for the Town. We worked on the "best effort" requirement for the Assabet 3 well as part of the amended Water Management Act withdrawal permit and a condition of our new source approval. This involves reaching out to all communities that contribute water to our wells to implement land use protections. I also provided comments on the Alexan Concord housing development located on the Acton/Concord town line. This proposed project has a groundwater discharge site located in close proximity to the newly delineated Zone 2 for the Assabet well field. We continued our participation in technical 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.

### **School Education Program**

We taught over 250 Acton students involved in water-related classroom curriculum. The Water District was also chosen to represent "hometown" heroes as part of the Cub Scouting program. This included presentations to over 30 Cub Scouts by the Acton Public Safety agencies and us on how we are vital to the livelihood and safety of all Acton residents and visitors.

Respectfully Submitted,



Matthew Mostoller  
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**

Many enhancements to our critical applications were developed this year. We incorporated a new payment processing into accounts receivable, allowing customers to make online payments. Direct deposit was offered to all employees and upgrades to our Payroll system were implemented. The emergency voicemail system is now available to all employees, they have the ability to easily change the main greeting, informing customers of any problems, any time of day. We purchased the right to use the Connect CTY system, allowing the Acton Water District to make localized or town-wide phone calls during problems. The CTY system will be used to inform customers of any emergencies or scheduled repairs. Due to changes in our chemical feed processes, chemical entry and DEP reporting software needed to be revamped to ensure DEP compliance.

A lot of focus this year went into the new North Acton Treatment Plant (NATP). New Software and PC's were required and the Supervisory Control and Data Acquisition system (SCADA) software was all upgraded to the latest versions.

### **Education**

Supporting the SCADA system and learning the SLC processor troubleshooting and maintenance will be an ongoing training. I am continuing to learn, in a hands on environment, how to program and troubleshoot the hardware that controls the well sites.

### **Hardware/Technology**

A new laptop was purchased to allow on-call operators remote access to the SCADA system for monitoring the well sites during nights and peak demands. Users were trained in VPN and remote desktop access.

This year we upgraded some newer SLC processors and incorporated the latest technology into the NATP, allowing us to remotely control the plant, receive alarms and in the future hopefully reduce the man-hours required to be onsite, with an approved DEP waiver. To ensure secure communications at the NATP, we installed an additional Sonicwall device and communications are passed over an encrypted tunnel.

A new server was purchased and along with it came many challenges. As I write this report the last of my issues appears to be resolved. Microsoft continues to become more complex but despite all the problems, the Water District will benefit greatly from the newest server, allowing us 5 years of reliable service.

### **Meters and Billing**

To date we have 1,885 meters fitted with the newest Orion reading technology. Some changes in hardware provided by Badger Meter will allow the Orion units to talk to each other and essentially act as repeaters. In theory, this will allow our meter readers to stop at one end of the street and get all the readings from that street. This new technology will begin to be installed at the end of 2010.

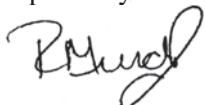
### **Environmental Manager**

A valued member of the Acton Water District, Jane Ceraso, left the Water District this year, thanks go out to Jane for all her efforts in conservation. Matt Mostoller has replaced Jane, and comes to us from Concord.

### **ID Badges**

All Acton Water District staff members were issued ID Badges. The badge has their name, title, signature and picture. The entire badge is embossed with the raised Acton Water District seal.

Respectfully Submitted,



Robert Murch  
MIS Coordinator

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

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JUNE 30, 2009

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

Maureen Waters Mara, CPA, MST  
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Concord, MA 01742

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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, 2009, 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, 2009, 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 29, 2009

## **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, 2009.

### **Financial Highlights**

The assets of the Water Supply District of Acton exceeded its liabilities at the close of the fiscal year by \$21,319,831 (net assets). Of this amount, \$1,660,639 (unrestricted net assets) may be used to meet the ongoing obligations of the District.

The total assets of the District are \$28,617,251. Of this amount, \$3,017,539 represents current assets and \$25,599,712 represents capital assets.

The total liabilities of the District are \$7,297,420. Of this amount, \$1,489,001 represents current liabilities and \$5,808,419 represents long term liabilities.

Total net assets of the District are \$21,319,831. This includes \$18,485,711 invested in capital assets, net of related debt, \$1,173,481 which is restricted for capital projects and \$1,660,639 which is unrestricted.

The overall financial position of the District is stable. The change in net assets for the fiscal year amounts to a decrease of \$287,461.

The District bonded \$6,000,000 for 20 years for construction of the water treatment plant. Prior to the bond offering, the District was rated AA+ by Standard & Poor's.

### **Overview of Financial Statements**

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

The District adopts an annual appropriated budget for its government wide activities. A budgetary comparison has been included. Actual revenues for the year were less than budgeted revenues by \$167,756. Actual expenditures were less than budgeted expenditures by \$744,253.

The Fiduciary Fund Financial Statements contain revenues and expenses relating to the W.R. Grace Fund and the MTBE Fund, restricted funds 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 less than the income for the previous fiscal year by \$677,958. Income from water rates and services was \$680,950 less than last year. Interest income was \$2,991 greater than last year.



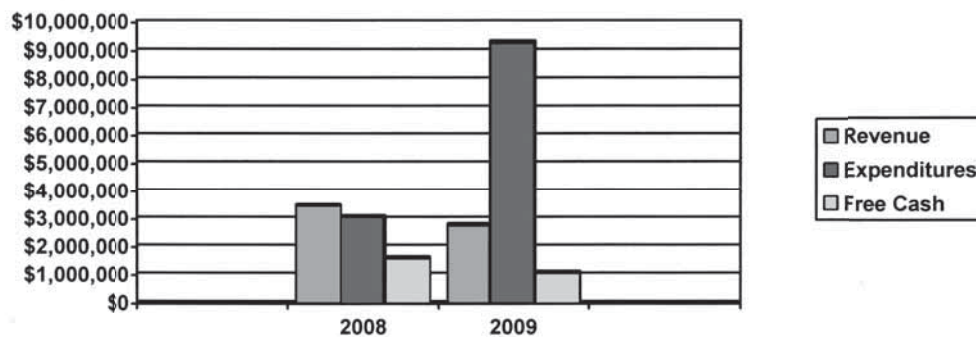
The total revenue for the District was \$2,780,053. Revenue is generated from the sale of water and charging demand fees for new connections according to a schedule adopted by the Board of Water Commissioners. \$60,192 in income was generated from investments.

Expenditures for the current fiscal increased from the previous fiscal year by \$6,228,237. Total expenditures for the year amounted to \$9,291,986. This includes the expenditure of \$6,517,174 for capital projects.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was \$1,079,518. This represents a decrease of \$516,503.

At the close of the fiscal year there was a balance of \$1,173,481 restricted for capital projects. This represents a decrease of \$1,125,430 over the previous fiscal year.

Below is a graph comparing revenues, expenditures and free cash for fiscal years 2008 versus 2009.



### Capital Assets

The Water Supply District of Acton's investment in capital assets as of June 30, 2009 amounts to \$25,599,712 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment. The District added \$6,766,768 in capital assets this year.

The District borrowed an additional \$4,270,000, 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. These projects are currently in progress, with the water main project scheduled for completion in the fall of 2009. 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 \$766,149.

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

### Fiscal Year 2010

The District has appropriated a balanced annual budget for FY 2010 of \$3,118,404. The District anticipates that revenues and expenses will be in line with the current fiscal year.

<b>WATER SUPPLY DISTRICT OF ACTON</b>				<b>Page 4</b>
Statement of Net Assets				
June 30, 2009			<i>Invested in</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Cap Projects</i>	<i>Assets</i>	<i>Total</i>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$1,398,663	\$842,205		\$2,240,868
Due from Grace	12,126			12,126
Due to/from Unrestricted/Capital Projects Fund	(331,276)	331,276		0
Accounts Receivable	94,544			94,544
Unbilled Accounts Receivable	670,001			670,001
Total Current Assets	1,844,058	1,173,481		3,017,539
<i>Non Current Assets</i>				
Capital Assets				
Land			777,225	777,225
Projects in Progress			6,641,730	6,641,730
Depreciable Infrastructure, net			16,557,083	16,557,083
Depreciable Buildings & Equipment, net			1,623,674	1,623,674
Total Non Current Assets	0	0	25,599,712	25,599,712
Total Assets	\$1,844,058	\$1,173,481	\$25,599,712	\$28,617,251
<b>LIABILITIES AND NET ASSETS</b>				
<i>LIABILITIES</i>				
<i>Current Liabilities</i>				
Accounts Payable			\$554,001	\$554,001
Short Term Debt			560,000	560,000
Current Portion Long Term Debt			300,000	300,000
Accrued Interest Payable	\$75,000			75,000
Total Current Liabilities	75,000	0	1,414,001	1,489,001
<i>Long Term Liabilities</i>				
Long Term Debt, net of current portion			5,700,000	5,700,000
Accrued Compensated Absences	108,419			108,419
Total Liabilities	183,419	0	7,114,001	7,297,420
<b>NET ASSETS</b>				
Net Assets	1,660,639	1,173,481	18,485,711	21,319,831
Total Liabilities and Net Assets	\$1,844,058	\$1,173,481	\$25,599,712	\$28,617,251

<b>WATER SUPPLY DISTRICT OF ACTON</b>				Page 5
Statement of Activities				
For the Year Ended June 30, 2009			<i>Invested in</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Capital</i>	
	<i>Fund</i>	<i>Cap Projects</i>	<i>Assets</i>	<i>Total</i>
<b>REVENUES</b>				
Water Rates and Services	\$2,678,405			\$2,678,405
Interest Income	31,448	\$28,744		60,192
Total Revenues	2,709,854	28,744	\$0	2,738,598
<b>EXPENDITURES</b>				
Salaries and Wages	1,020,335			1,020,335
Bonds Interest and Fees	176,745			176,745
Depreciation Expense			766,149	766,149
Lights, Power and Fuel	300,000			300,000
Health and Life Insurance	220,046			220,046
Maintenance and Operations	119,891			119,891
Middlesex Retirement	84,065			84,065
Insurance	45,916			45,916
Auto Maintenance and Fuel	34,512			34,512
Chemicals	24,103			24,103
Legal	22,000			22,000
Reserve Expense	20,000			20,000
Laboratory Analysis	15,331			15,331
Education	12,913			12,913
Audit	14,500			14,500
Computer Maintenance	13,387			13,387
Information Reports	18,048			18,048
Office Supplies	14,979			14,979
Paving	12,000			12,000
Engineering	25,794			25,794
Postage	10,725			10,725
Hydrants	5,067			5,067
Telephone	8,000			8,000
D.E.P. Withdrawal and Fees	4,989			4,989
Meters	35,000			35,000
Petty Cash	600			600
Bank Fees	400			400
Backflow	563			563
Total Expenditures	2,259,910	0	766,149	3,026,059
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	449,944	28,744	(766,149)	(287,461)
Transfer from Unrestricted to Capital Projects	(493,000)	493,000		0
Bond Proceeds Received		4,870,000	(4,870,000)	0
Bonds Repaid	(600,000)		600,000	0
Capital Project Expenditures		(6,517,174)	6,517,174	0
Net Assets - Beginning of Year	2,303,695	2,298,911	17,004,686	21,607,292
Net Assets - End of Year	\$1,660,639	\$1,173,481	\$18,485,711	\$21,319,831



<b>WATER SUPPLY DISTRICT OF ACTON</b>			<b>Page 6</b>
Governmental Funds - Balance Sheet			
June 30, 2009			
		<i>Capital</i>	<i>Total</i>
	<i>General</i>	<i>Projects</i>	<i>Governmental</i>
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$1,398,669	\$842,205	\$2,240,874
Accounts Receivable	94,544		94,544
Less Reserve for Uncollectible	(94,545)		(94,545)
Due from Grace Fund	12,126		12,126
Due to/from Unrestricted/Capital Projects Fund	(331,276)	331,276	0
Total Assets	\$1,079,518	\$1,173,481	\$2,252,999
<i>LIABILITIES AND FUND BALANCES</i>			
<i>LIABILITIES (none)</i>			
<i>FUND BALANCES</i>			
Unreserved	1,079,518		1,079,518
Reserved for Capital Projects		\$1,173,481	1,173,481
Total Fund Balances	1,079,518	1,173,481	2,252,999
Total Liabilities and Fund Balances	\$1,079,518	\$1,173,481	\$2,252,999

<b>WATER SUPPLY DISTRICT OF ACTON</b>			Page 7
Governmental Funds - Statement of Revenues, Expenditures and			
Changes in Fund Balances			
For the Year Ended June 30, 2009		<i>Capital</i>	<i>Total</i>
	<i>General</i>	<i>Projects</i>	<i>Governmental</i>
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>
<b>REVENUES</b>			
Water Rates and Services	\$2,719,860		\$2,719,860
Interest Income	31,448	\$28,744	60,192
Total Revenues	2,751,309	28,744	2,780,053
<b>EXPENDITURES</b>			
Salaries and Wages	1,010,237		1,010,237
Lights, Power and Fuel	300,000		300,000
Health and Life Insurance	220,046		220,046
Maintenance and Operations	119,891		119,891
Bonds Interest and Fees	701,745		701,745
Middlesex Retirement	84,065		84,065
Insurance	45,916		45,916
Chemicals	24,103		24,103
Auto Maintenance and Fuel	34,512		34,512
Legal	22,000		22,000
Laboratory Analysis	15,331		15,331
Information Reports	18,048		18,048
Office Supplies	14,979		14,979
Audit	14,500		14,500
Education	12,913		12,913
Paving	12,000		12,000
Hydrants	5,067		5,067
Engineering	25,794		25,794
Postage	10,725		10,725
Telephone	8,000		8,000
D.E.P. Withdrawal and Fees	4,989		4,989
Computer Maintenance	13,387		13,387
Reserve Expense	20,000		20,000
Backflow	563		563
Bank Fees	400		400
Petty Cash	600		600
Meters	35,000		35,000
Capital Project Expenditures		6,517,174	6,517,174
Total Expenditures	2,774,812	6,517,174	9,291,986
<b>REVENUES (UNDER) EXPENDITURES</b>	(23,503)	(6,488,430)	(6,511,933)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from General Fund to Capital Projects Fund	(493,000)	493,000	0
Bond Proceeds Received		4,870,000	4,870,000
Net Change in Fund Balances	(516,503)	(1,125,430)	(1,641,933)
Fund Balances - Beginning of Year	1,596,021	2,298,911	3,894,932
Fund Balances - End of Year	\$1,079,518	\$1,173,481	\$2,252,999



<b>WATER SUPPLY DISTRICT OF ACTON</b>	<b>Page 8</b>
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Assets - For the Year Ended June 30, 2009	
Total Governmental Fund Balances	\$2,252,999
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	25,599,712
The Statement of Activities accrues accounts receivable on billed and unbilled water pumped, whereas in the governmental funds, revenue is not reported until collected.	
Accounts Receivable	94,539
Unbilled Accounts Receivable	670,001
The Statement of Activities includes accounts payable and debts, whereas in governmental funds these are not reported until paid.	
Accounts Payable	(554,001)
Accrued Interest Payable	(75,000)
Short Term Debt	(560,000)
Current Portion Long Term Debt	(300,000)
Accrued Compensated Absences	(108,419)
Long Term Debt	(5,700,000)
Net Assets of Governmental Activities	\$21,319,831
<b>WATER SUPPLY DISTRICT OF ACTON</b>	
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, 2009	
Net Change in Fund Balances - Total Governmental Funds	(\$6,511,933)
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	6,517,174
Bond Principal Repayment	600,000
Depreciation Expense	(766,149)
Some revenue/expenses reported in the Statement of Activities do not provide (use) current financial resources and therefore are not reported in the governmental funds.	
Water Revenue Accrual	(41,455)
Compensated Absences Accrual	(10,098)
Interest Expense Accrual	(75,000)
Change in Net Assets of Governmental Activities	(\$287,461)

WATER SUPPLY DISTRICT OF ACTON			Page 9
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2009			
			<i>Variance</i>
			<i>Positive</i>
	<i>Budget</i>	<i>Actual</i>	<i>(Negative)</i>
<i>REVENUES</i>			
Water Rates and Services	\$2,919,065	\$2,719,860	(\$199,205)
Interest Income	0	31,448	31,448
Total Revenues	2,919,065	2,751,309	(167,756)
<i>EXPENDITURES</i>			
Salaries and Wages	1,110,000	1,010,237	99,763
Bonds, Interest and Fees	1,200,000	701,745	498,255
Lights, Power and Fuel	300,000	300,000	0
Health and Life Insurance	285,000	220,046	64,954
Maintenance and Operations	120,000	119,891	109
Middlesex Retirement	84,065	84,065	0
Insurance	48,000	45,916	2,085
Chemicals	25,000	24,103	897
Reserve Fund	50,000	20,000	30,000
Laboratory Analysis	30,000	15,331	14,669
Auto Maintenance and Fuel	45,000	34,512	10,488
Information Reports	20,000	18,048	1,952
Telephone	8,000	8,000	0
Legal	22,000	22,000	0
Computer Maintenance	15,000	13,387	1,613
Office Supplies	15,000	14,979	21
Education	15,000	12,913	2,087
Audit	14,500	14,500	0
Paving	12,000	12,000	0
Engineering	30,000	25,794	4,206
Hydrants	10,000	5,067	4,933
Postage	15,000	10,725	4,275
D.E.P. Withdrawal and Fees	6,500	4,989	1,511
Bank Fees	1,000	400	600
Backflow	1,000	563	437
Accounting	1,000	0	1,000
Meters	35,000	35,000	0
Petty Cash	1,000	600	400
Total Expenditures	3,519,065	2,774,812	744,253
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	<i>(600,000)</i>	<i>(23,503)</i>	<i>576,497</i>
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers General Fund to Capital Projects Fund	(493,000)	(493,000)	0
Net Change in Fund Balance	(1,093,000)	(516,503)	576,497
Budgetary Fund Balance - Beginning of Year	1,596,021	1,596,021	0
Budgetary Fund Balance - End of Year	\$503,021	\$1,079,518	\$576,497

SEE ACCOMPANYING NOTES AND ACCOUNTANTS REPORT

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

<b>WATER SUPPLY DISTRICT OF ACTON</b>			Page 10
Fiduciary Fund - Statement of Fiduciary Net Assets			
June 30, 2009			
	<i>WR Grace</i>	<i>MTBE</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fiduciary Fund</i>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$352,107	\$537,412	\$889,519
Investments	1,840,434	\$478,191	2,318,625
Total Assets	\$2,192,541	\$1,015,603	\$3,208,144
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Due to the General Fund	\$12,126	\$0	\$12,126
<b>NET ASSETS</b>			
Restricted for water improvement projects	\$2,180,415	\$1,015,603	\$3,196,018
Total Liabilities and Net Assets	\$2,192,541	\$1,015,603	\$3,208,144
<b>WATER SUPPLY DISTRICT OF ACTON</b>			
Fiduciary Fund - Statement of Changes in Fiduciary Net Assets			
For the Year Ended June 30, 2009			
<b>ADDITIONS</b>			
MTBE Settlement		\$983,318	\$983,318
Dividend and Interest Income	\$98,003	10,484	108,488
Net (Decrease) Increase Fair Value of Investments	(83,814)	23,379	(60,435)
Total Additions	14,190	1,017,181	1,031,371
<b>DEDUCTIONS</b>			
Investment Management Fees	10,328	1,578	11,905
Maintenance and Operations	113,558	0	113,558
Assabet Well	554	0	554
Total Deductions	124,440	1,578	126,018
Additions over (under) Deductions	(110,250)	1,015,603	905,353
Net Assets - Beginning of Year	2,290,665	0	2,290,665
Net Assets - End of Year	\$2,180,415	\$1,015,603	\$3,196,018

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2009**

**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) are 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, 2009**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

**NOTE 3 – FIDUCIARY FUND**

The District has a Fiduciary Fund that was established to maintain the purity of the District's water sources, including, but not limited to the District wells and well fields. The Fiduciary Fund assets are used to abate and treat pollutants found in the District's water supply.

The Fiduciary Fund was first established in the 1980's with the settlement proceeds from a lawsuit against the WR Grace chemical company. The "Grace Funds" have been used for the past 20 plus years to finance pollution abatement programs and projects.

During the year ended June 30, 2009, the District received settlement proceeds of \$983,318 from a national class action lawsuit against gasoline companies for contaminating water supplies with the chemical MTBE. This settlement was received by the District as a receipt reserved for appropriation and has been added to the Fiduciary Fund.

The WR Grace and MTBE investments are managed pursuant to Massachusetts General Laws by Boston Financial Management with the guideline that there is low risk to principal while providing a continuing revenue stream. The WR Grace and MTBE investments are currently segregated into their own accounts.

The Fiduciary Fund investments are carried at fair value. During the year ended June 30, 2009, the District realized a net loss of \$49,865 from the sale of investments. The net decrease in the fair value of investments during the year was \$60,435. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

**NOTE 4-INTERFUND RECEIVABLE/ PAYABLE**

At June 30, 2009, \$331,276 is due to the Capital Projects Fund from the General Fund and \$12,126 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, 2009 were \$84,065.

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, 2009 were \$33,359, which are included in Salaries and Wages.

**NOTE 6 - COMMITMENTS**

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



**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2009**

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the District the year ended June 30, 2009 consisted of the following:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$777,225			\$777,225
Infrastructure	27,041,648	\$1,198,554		28,240,202
Buildings	1,084,969			1,084,969
Vehicles	361,054	15,897		376,951
Machinery & Equipment	2,197,004			2,197,004
Capital Assets Under Construction	1,089,413	5,552,317		6,641,730
Total at Historical Cost	32,551,313	6,766,768		39,318,081
Less Accumulated Depreciation				
Infrastructure	11,119,376	563,744		11,683,120
Buildings	242,875	27,124		269,999
Vehicles	235,592	37,753		273,345
Machinery & Equipment	1,354,377	137,530		1,491,907
Total Accumulated Depreciation	12,952,220	766,151		13,718,371
Capital Assets, Net	\$19,599,093	\$6,000,617		\$25,599,710

**NOTE 8 - SHORT TERM DEBT**

The District has issued bond anticipation notes (BAN's) on a short term basis to fund the capital project costs incurred prior to selling permanent debt. The District intends to pay down a portion of the BAN's and roll over the difference when they become due in June 2010. The following is a summary of the changes in short term debt for the year ended June 30, 2009:

Description	Interest Rate	Due Date	Balance 6/30/08	Renewed/ Issued	Retired/ Redeemed	Balance 6/30/09
Water Treatment Plant	2.29%	11/21/08	\$1,590,000		(\$1,590,000)	-
Water Mains Indian Village	2.29%	11/21/08	700,000		(700,000)	-
Water Mains – Coughlin St	1.94%	6/01/10	-	\$400,000	0	\$400,000
Water Mains–Indian Village	1.94%	6/01/10	-	160,000	0	160,000
Total			\$2,290,000	\$560,000	(\$2,290,000)	\$560,000

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2009**

**NOTE 9 - LONG TERM DEBT**

The District has issued a general obligation bond to finance the construction of the water treatment plant at the Kennedy Marshall well site. The interest rates on the bond vary according to annual maturities, with an average coupon rate of 3.64%. The following is a summary of the activity in long term debt for the year ended June 30, 2009:

Short Term Bond Anticipation Notes (BAN's) outstanding at 6/30/08	\$2,290,000
Less amount paid down on BAN's	(600,000)
Remaining balance of BAN's rolled into Long Term Debt	1,690,000
Additional Long Term Debt borrowed	4,310,000
Total Long Term Debt Outstanding at 6/30/09	6,000,000
Less Current Portion of Long Term Debt	(300,000)
Net Long Term Debt Outstanding at 6/30/09	\$5,700,000

The annual debt service requirements for long term debt outstanding at June 30, 2009 are as follows:

Fiscal Year	Principal	Interest	Total
2010	\$300,000	\$196,800	\$496,800
2011	300,000	184,800	484,800
2012	300,000	178,800	478,800
2013	300,000	172,050	472,050
2014	300,000	166,050	466,050
2015-2019	1,500,000	718,500	2,218,500
2020-2024	1,500,000	486,150	1,986,150
2025-2029	1,500,000	190,200	1,690,200
Total	\$6,000,000	\$2,293,350	\$8,293,350

As of June 30, 2009 the District has the following debt authorized and unissued:

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 19, 2008	1,700,000	1,500,000	200,000
Water Mains	March 19, 2008	1,200,000	860,000	340,000
Water Mains	March 18, 2009	600,000	-	600,000
Total		\$5,000,000	\$3,660,000	\$1,340,000

The components of payments for principal, interest and fees on the bonds are reported on the accompanying financial statements as follows for the year ended June 30, 2009:

	Statement of Activities (Accrual Basis)	Statement of Revenues & Expenditures (Cash Basis)
Interest paid on Short Term Debt	\$56,678	\$56,678
Fees paid on issuance of Long and Short Term Debt	45,067	45,067
Accrued interest payable on Long Term Debt	75,000	
Principal paid down on Short Term Debt		600,000
Total Expenditures	\$176,745	\$701,745

CONCLUDED.



WATER SUPPLY DISTRICT OF ACTON				Page 15	
Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity					
For the Year Ended June 30, 2009					
	<i>BEGINNING</i>	<i>TRANSFERS</i>	<i>PAYMENTS</i>	<i>BOND</i>	<i>ENDING</i>
	<i>BALANCE</i>	<i>FROM</i>	<i>MADE</i>	<i>PROCEEDS</i>	<i>BALANCE</i>
	<i>06/30/08</i>	<i>GEN'L FUND</i>		<i>&amp; INTEREST</i>	<i>06/30/09</i>
Coughlin Taylor Engineering	\$0	\$75,000	\$75,000		\$0
Coughlin Taylor Mains	0		92,801	\$400,000	307,199
Eminent Domain Knox Trail	10,500				10,500
Eminent Domain Main Street	0	23,000			23,000
Garage Addition 06	31				31
Great Hill Altitude Valve	0	50,000			50,000
Indian Village Engineering	26,148		26,148		0
Indian Village Water Mains	700,000		859,861	160,000	139
Leak Detection Survey 08	2,400		469		1,931
Main Street Mains	0	100,000	1,135		98,865
Master Plan Update 06	26,151		25,051		1,100
Media Replacement Clapp/Whit	0	80,000	74,049		5,951
Pickup Truck	0	25,000	15,897		9,103
Service Truck	0	45,000			45,000
UniDirectional Flushing 08	45,000		33,273		11,727
Water Main Emergency 07	4,922		4,922		0
Water Main Emergency 08	25,000		25,000		0
Water Main Emergency 09	0	25,000	575		24,425
Water Main Replacement 07	18,654		15,625		3,029
Water Main Replacement 08	20,000		5,512		14,488
Water Main Replacement 09	0	20,000			20,000
Water Treatment Plant Construction	1,164,389		4,971,456	4,310,000	502,933
Water Treatment Plant Engineering	249,457		237,331		12,126
Water Treatment Plant Interest	3,190			28,744	31,934
Well Clean and Rehab 08	3,069	25,000	28,069		0
Well Clean and Rehab 09	0	25,000	25,000		0
Total	\$2,298,911	\$493,000	\$6,517,174	\$4,898,744	\$1,173,481
See Independent Auditor's Report					

## **Water Supply District of Acton**

Acton Public Library  
486 Main Street  
March 18, 2009 • 7:30 P.M

**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, 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.

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 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 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.

Unanimously approved

**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.

Unanimously approved

**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 authorized 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.

Unanimously approved

**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.

Unanimously approved

**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 authorized 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.

The motion was amended by deleting the words “vote to transfer from Surplus Revenue the sum of \$600,000” and inserting in its place the words “vote to appropriate the sum of \$600,000”

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 \$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.

Unanimously approved

A true copy. ATTEST:

Charles E. Orcutt, III  
District Clerk

## **Annual Election Results**

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

Tuesday March 31, 2009

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

Number of ballots cast: 3237

Commissioner for 3 years:

Leonard A. Phillips 2388

Moderator for 3 years:

Richard O'Brien 2439



Water Supply District of Acton  
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