

# ACTON WATER DISTRICT



## ANNUAL REPORT

for the year ending December 31, 2007

WARRANT ARTICLES  
FOR THE  
ANNUAL MEETING

March 19, 2008

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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

Stephen C. Stuntz, Chairman	Term Expires 2008
Leonard A. Phillips	Term Expires 2009
Ronald R. Parenti	Term Expires 2010

### District Clerk

Charles E. Orcutt III	Term Expires 2008
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### District Moderator

Richard P. O'Brien	Term Expires 2009
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## APPOINTED OFFICIALS

### Finance Committee

Charles Bradley, Chairman	Term Expires 2008
William L. Kingman	Term Expires 2009
Theodore Jarvis	Term Expires 2010

### District Manager

Christopher D. Allen	Contract Expires 2008
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### Treasurer/Collector

Mary J. Bates	Term Expires 2008
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### District Counsel

Mary Bassett	Term Expires 2008
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### District Assistant Clerk

Helen F. Argento	Term Expires 2008
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### Commissioners Secretary

Nancy Peterson	Term Expires 2008
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### Auditor

Maureen Waters Mara, CPA, MST	Term Expires 2008
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### 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
Paul McGovern	Operator/Pump Stations
Charles Rouleau	Operator/Distribution
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, April 1, 2008  
Between 7:00 A.M. and 8:00 P.M.

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

Commissioner for three years

Clerk for three years

## Water Supply District of Acton

### WARRANT

**March 19, 2008**

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 19, 2008  
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, 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.

**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 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.

**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.

**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.

**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 authorized 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.

**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 13.** To see if the District will vote to appropriate an additional \$1,000,000, 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 authorized to borrow this additional sum of \$1,000,000 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 \$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.

**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.

**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.

**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.

**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.

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 28th day of January in the year two thousand and eight.

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

A true copy. ATTEST:

Charles E. Orcutt, III  
District Clerk

**FY 2008 Appropriation and Six Month Expenditures**

**FY 2009 Anticipated Appropriation and Estimated Revenue**

<b>Account Name</b>	<b>FY 2008 Appropriation</b>	<b>July-Dec 2007 Actual</b>	<b>FY 2009 Appropriation</b>
<b>Expense</b>			
Accounting	1,000.00	0.00	1,000.00
Audit	14,500.00	14,500.00	14,500.00
Auto Maintenance/Fuel	40,000.00	20,048.78	45,000.00
Backflow/Cross Connection	1,000.00	0.00	1,000.00
Bank Fees	1,000.00	0.00	1,000.00
Bonds, Interest, Fees	200,000.00	0.00	600,000.00
Chemicals	20,000.00	7,943.97	25,000.00
Computer Maintenance	15,000.00	4,451.24	15,000.00
DEP Withdrawal	6,500.00	0.00	6,500.00
Employee Education	15,000.00	5,248.38	15,000.00
Engineering	12,000.00	0.00	30,000.00
Health/Life Insurance	280,000.00	133,530.78	285,000.00
Hydrants	10,000.00	752.00	10,000.00
Insurance	50,000.00	40,812.09	48,000.00
Laboratory Analysis	30,000.00	14,609.74	30,000.00
Legal	22,000.00	9,209.83	22,000.00
Lights/Power/Fuel	280,000.00	138,263.45	300,000.00
Maintenance & Operations	115,000.00	58,432.51	120,000.00
Middlesex Retirement	74,540.00	73,069.00	84,065.00
Meters	35,000.00	22,869.82	35,000.00
Office Supplies	15,000.00	5,343.91	15,000.00
Paving	12,000.00	5,621.02	12,000.00
Petty Cash	1,000.00	0.00	1,000.00
Postage	15,000.00	6,475.96	15,000.00
Reserve Fund	50,000.00	10,000.00	50,000.00
Salaries & Wages	1,097,375.00	519,079.87	1,110,000.00
Telephone	8,000.00	3,856.97	8,000.00
Information Reports	20,000.00	2,775.70	20,000.00
<b>Total</b>	<b>2,440,915.00</b>	<b>1,096,895.02</b>	<b>2,919,065.00</b>
<b>Revenue</b>			
Water Revenue	2,073,665.00	1,623,366.29	2,521,190.00
Fire Protection Sprinklers	15,250.00	14,912.27	15,250.00
Rent/Lease	110,000.00	52,859.80	110,000.00
Repairs/Installation	30,000.00	37,088.87	30,000.00
Cross Connection	12,000.00	8,029.03	12,000.00
Demand Fees	200,000.00	437,560.00	200,000.00
<b>Total</b>	<b>2,440,915.00</b>	<b>2,173,816.26</b>	<b>2,919,065.00</b>

**Report of the Treasurer  
Audited Account Balances  
June 30, 2007**

Sovereign Bank A/P	82,499.46
Sovereign Money Market	118,558.91
MMDT	203,260.50
Citizens Bank	6,610.52
Webster Bank	132,984.64
First Trade Union	120,127.38
UniBank	2,106.20
<b>Total</b>	<b>666,147.61</b>

**Report of the Collector  
Audited Account Balances  
June 30, 2007**

Accounts Receivable June 30, 2006	102,099.27
Charges	2,372,069.03
Interest Charges	13,158.25
Refunds	590.83
	<b>2,487,917.38</b>
Payments	2,371,710.94
Abatements	70,428.77
Adjustments	
Outstanding June 30, 2007	45,777.67
	<b>2,487,917.38</b>

**Outstanding Debt  
June 30, 2007**

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Water Mains	210,000.00	3.45%	8/26/2005	8/25/2006	0
Water Mains	162,000.00	3.79%	12/30/2005	12/30/2006	0

Respectfully submitted,  
Mary J. Bates  
Treasurer/Collector

## Report of Commissioners

The Commissioners are pleased to make the following report to the residents of the Acton Water District. As Commissioners, we are concerned with the long-term direction of the District. Our oversight of the day-to-day affairs is fairly straightforward given the outstanding quality of the staff at the District. In keeping with the long-term perspective, we note the following changes in the District.

It gives us great pleasure to welcome our new District Manager – Chris Allen. We are equally sad to see the retirement of our past Manager Jim Deming. We have always considered the selection of the Manager to be our most critical function. Not only do they insure the health of the District but enable us to concentrate on the true role of Commissioners of policy oversight and planning for the future. Jim for 11 years has provided us this freedom to focus on the future and we know that Chris will continue in that tradition.

Chris joins us from Littleton where he directed the water department which included all the treatment plant operations. Chris is an expert in water treatment. We consider this critical as we move forward into a new phase of the District where a higher percentage of the water we supply will have been processed by a treatment plant of one sort or another.

We are in the planning process of the first major upgrade to the operations in adding a state of the art treatment plant in North Acton. Building this plant will require the District's largest capital investment in decades and will mean that the District will borrow substantial funds in the capital markets.

A couple of operational issues that have been under review for a period of time relate to the financial affairs of the District. We implemented a rate increase that we expect should hold steady for several years. We prefer this periodic change to allow for building reserves. We also went to quarterly billing to smooth cash flow and make it easier for home owners to pay their bill.

The District continues to pursue approval to bring on line the third well we own in the Assabet area. We consider this well to potentially be the largest untapped source of water in the Town of Acton. It will add substantially to our ability to supply water in an emergency. We do not expect it to add substantially to our current limit on the amount of water we may withdraw from the various aquifers that supply our water.

The bi-annual newsletters that we send to all of you is full of detailed information on the current state of affairs at the District and is good reading for all who are interested. Issues that are necessary to review sooner than a year are reflected in these issues. One particular issue is the extreme levels of sedimentation that has regularly been seen in the South Acton area. Those of you from that area know of the many meetings and efforts that have been expended to resolve or at least mitigate the problem.

As always we are delighted to represent you as your commissioners and invite you to come to our Annual Meeting or any of our semi-monthly meetings. It is particularly gratifying given the competence and dedication of the whole staff here at the Acton Water District. They care about what they do and for that we thank them.

Respectfully submitted

Stephen Stuntz  
Ron Parenti  
Len Phillips

## Report of the District Manager

As this is my first annual report, I contemplated long and laboriously what I should address. I am very happy to be a part of a great organization. In the short time that I have been District Manager, I have learned many things about the employees, associates and customers of the district.


There are many issues that need to be addressed, as there are for most other water purveyors. As regulatory requirements become more and more stringent, aging infrastructure needs must be addressed, workforce diversity becomes a paramount concern, and the need for treatment and filtration becomes more necessary, the outlook for the future is much different than in past years.

We are on the cusp of many changes in the system over the course of the very foreseeable future. We are fully entrenched in the design and bidding of the North Acton membrane treatment project, and some major infrastructure improvements that will need to continue. Last year we had some major water quality issues in South Acton, and implemented a uni-directional flushing program that seemed to alleviate some of the imminent issues. We are in the process of designing an identical program for the remainder of the system. We believe that this will be an important maintenance activity to maintain our water quality year to year.

As further development of the town strains our system, we will need to look for new sources of water to keep up with the rising demand. The permitting of the Assabet #3 well and potential development of a new bedrock source will go a long way to meeting these needs. The need for treatment and filtration of our remaining existing sources is becoming more and more necessary. While these additions will be necessary, the Water Management Act will place stringent conservation requirements on us, and other public water systems. Conservation of our most valuable natural resource is more important than ever, and is now, under the scrutinous eye of the regulatory agencies.

I would like to thank the employees for their support in my first six months. I would like to thank the Board of Commissioners for giving me the opportunity, and I would like to thank the customers with whom I've interacted directly for their patience and understanding. I look forward to the challenge of taking the Acton Water District into the future with many exciting technological advances and new possibilities.

Respectfully submitted,



Chris Allen  
District Manager

## Report of the Finance Committee

This report covers the calendar year 2007. Audited results are for the fiscal year that ended June 30.

In 1987, the District received \$2,250,000 from W. R. Grace Co. as a result of a suit for contamination of the water supply. The money has been invested and is used to keep the water supply free from contamination. The expense varies from year to year, but is often about \$125,000. In FY07 it was \$179,731. As of December 31, 2007, the fund had a balance of \$2,768,846.03. The audited balance as of June 30, 2007 was \$2,196,565. The fund's investments were managed by Brown Brothers Harriman (BBH) under guidelines provided by the Finance Committee, 30-50% in stocks, and the balance in investment grade fixed income securities.

When water rates were raised in March 2003, we expected no further increase for at least two or three years. That expectation was met. An additional increase went into effect during 2007, along with a change to quarterly billing, which smooths out the cash flow for customers and for the District. The rates are still lower than most nearby towns and most of the towns that Acton is usually compared to.

A series of water main breaks in the second half of 2006 caused many residents of South Acton to get a lot of sediment in their water. The Commissioners voted to abate up to \$250 for those affected. This cost the District \$59,250 for the 237 claims approved by the deadline of February 9, 2007.

At the March 2007 Annual District Meeting, the District voted to appropriate \$4,400,000 for the construction and related costs of a water treatment facility for the Kennedy and Marshall well sites in North Acton. This would be about twice as much as the District had ever borrowed in the past, and about half as much as the District had repaid on previous borrowings in the past quarter century. At the time of the vote, the District had no debt. By the end of 2007, the District had spent \$287,000 on this project for engineering design work, and the estimated cost had risen by \$880,000, with the design work 60% completed. A substantial portion of the increase is due to changing exchange rates. The key technical component is available only from a firm in Canada.

For many years, the Grace Fund was invested conservatively and profitably. When we learned that the Grace Fund was restricted to only a small assortment of investments, we told the investment advisor (BBH) to change our holdings to conform "as quickly and prudently as possible." They were slow to act and are being replaced in January 2008 by Boston Financial Management, Inc. Since there are fewer options for investments, the fee for the service is less.

The District is financially healthy. For many years, most capital expenditures have been made from free cash. Certified free cash as of July 1, 2007 was \$303,830. The District enjoys a credit rating of Aa3 by Moody, and is still debt free. None of the authorized \$4,400,000 has been borrowed yet. During 2007, the District received an unsolicited offer of over \$500,000 to buy out the lease on the cell phone tower near the Great Hill water tank. While many municipalities would jump at the offer of cash, the District can afford to take a longer term view and declined the offer.

We extend our thanks to the Commissioners, the previous and new Managers Jim Deming and Chris Allen, the Treasurer Mary Jo Bates, and employees of the District. It is a pleasure to work with them. All meetings of the Finance Committee are posted and are open to the public. We welcome your interest.

Respectfully submitted,  
Charles Bradley, Chairman  
Theodore Jarvis  
William Kingman

## **Environmental Manager's Report for 2007**

On the environmental front, the Acton Water District (AWD) accomplished the following in 2007:

### **Environmental Compliance**

We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA.) We completed a (once every three years) comprehensive monitoring survey of homes throughout town for lead and copper in tap water. With our engineers, we initiated the process to design a treatment plant to reduce natural organic color, iron and manganese and meet future SDWA requirements at the Kennedy and Marshall wells, and continued to work through the state treatment plant approval processes. Additionally, we began the initial steps to conduct a pump test on the new Assabet 3 well and work through the state approval processes.

### **Water Conservation**

We participated in a rain barrel program at the Acton Science Discovery Museum, helping to educate children and adults about how much water can be saved by collecting rainwater. During Drinking Water Week in early May, we held a rain barrel day, sending over 75 half-price rain barrels home to Acton residents. The Acton Water District became an EPA Water Sense Program sponsor, allowing us to tap into resources of this promising national conservation effort. 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 partnered with water department staff from several surrounding towns on a multi-town pesticide awareness project, funded through the Toxics Use Reduction Institute (TURI) at the University of Massachusetts Lowell. We continued 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. I was appointed to the Education Subcommittee of Acton's Water Resource Advisory Committee, and started planning an outreach program on groundwater protection via water conservation and proper maintenance of septic systems.

### **School Education Program**

Taught over 700 Acton-Boxborough students involved in water-related classroom curriculum. Provided tours of our Conant wells to over 200 Acton-Boxborough elementary and High School students. We participated in the Acton-Boxborough Parent Involvement Project's "Science and Technology Fest" at the High School with several hands-on water testing demonstrations.

### **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 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/Application Development

Visual Basic.net has replaced VB6 as the primary programming language and I have been learning the language in a hands-on fashion while creating new applications. We have added some programming into our new voicemail system that allows monitoring of all incoming and outgoing calls and allows generic emergency messages to be added by all personnel. Crystal reports is our primary reporting software and this year we embarked on the newest version Crystal reports XI. This was a big change, upgrading all the reports, programming some of the new functionalities and rolling it out to all employees. We also converted all our original drawings of the street gates and customer curb-stops to Adobe .pdf files and built the functionality to view them into multiple applications. This has allowed employees to take advantage of Adobes more powerful features, smaller file sizes and will allow the ability to access this information while in the field.

### Hardware/Technology

We dusted off our GPS hardware and located all the street gates and hydrants in the system. Focusing on the target areas first and then branching out to the rest of the town, we used this information to put together a flushing program to help alleviate the discolored water problem that was encountered this year. We purchased some new desktop computers this year and spent some money on maintenance contracts but no major purchases were made or needed.

### Meters and Billing

Quarterly billing was the focus this year and it has been a real challenge for everyone involved. We doubled the work load, completely changed the appearance of the bill to allow more historical charting, mailing barcodes for a better USPS rate and for informational purposes both to our customers and the Acton Water District staff. We continue to replace meters due to failures and this year we have begun to focus on some of the larger commercial meters.

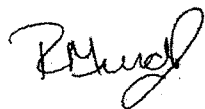
### Cross Connection program

This program is directed at commercial, municipal, institutional and industrial locations served by the District. Testing is done either annually or semi-annually depending on the degree of hazard and surveys are done to identify new hazards. All the data collected from testing is documented in a database application and allows staff to identify testing dates, state reporting and historical archiving. We have not had a backflow incident to date.

### Management

The Acton Water District had a very valuable employee retire this year, Jim Deming. Jim's experience and dedication was a great asset to the Acton Water District. I wish him good luck in his retirement, also I want to say thank you and you will be missed. Chris Allen is the new District Manager and he brings new ideas and great experience to the Acton Water District. He is a great replacement and I am glad to have him onboard.

Respectfully Submitted,



Robert Murch  
MIS Coordinator

## **Report of the District Manager**

The following report covers the activities of the District in 2007.



Total gallons pumped in 2007 – 623,433,376 gallons

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

JUNE 30, 2007

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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, 2007, 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, 2007, 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  
August 02, 2007

## **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, 2007.

### **Financial Highlights**

The assets of the Water Supply District of Acton exceeded its liabilities at the close of the fiscal year by \$20,760,000. (net assets). Of this amount, \$894,282 (unrestricted net assets) may be used to meet the ongoing obligations of the District.

The total assets of the District are \$20,984,326. Of this amount, \$1,899,449 represents current assets and \$19,084,877 represents capital assets.

The total liabilities of the District are \$224,326. Of this amount, \$126,000 represents current liabilities and \$98,326 represents long term liabilities.

Total net assets of the District are \$20,760,000. This includes \$18,958,877 invested in capital assets, net of related debt, \$906,841 which is restricted for capital projects and \$894,282 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 \$233,912.

### **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 fell short of budgeted revenues by \$15,736. Actual expenditures were less than budgeted expenditures by \$100,291.

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.

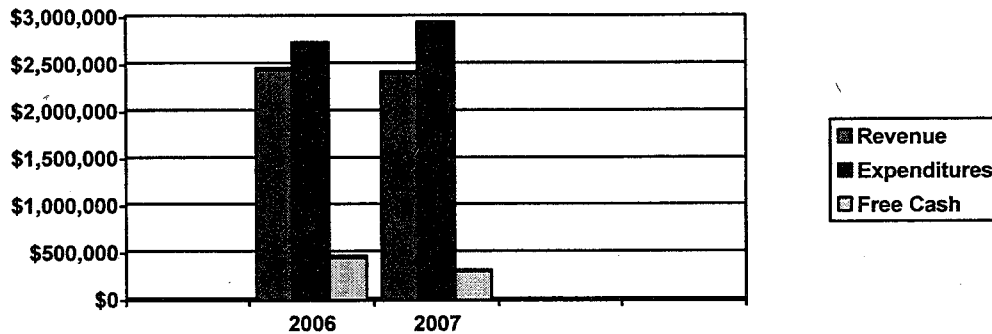
Income for the current fiscal year was less than the income for the previous fiscal year by \$37,851. Income from water rates and services was \$37,374 less than last year. Interest income was \$477 less than last year.

The total revenue for the District was \$2,410,537. 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. \$39,847 in income was generated from investment income.

Expenditures for the current fiscal increased from the previous fiscal year by \$215,878. Total expenditures for the year amounted to \$2,934,480.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was \$303,830. This represents a decrease of \$145,868.

At the close of the fiscal year there was a balance of \$906,841 restricted for capital projects. This represents an increase of \$221,925 over the previous fiscal year.



**Capital Assets**

The Water Supply District of Acton's investment in capital assets as of June 30, 2007 amounts to \$19,084,877 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment. The District added \$605,019 in capital assets this year.

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 \$731,526.

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

**Fiscal Year 2008**

The District has appropriated a balanced annual budget for FY 2008 of \$2,440,915. The District anticipates that revenues will be slightly higher, with a rate increase taking effect July 2007, and expenses will be in line with the current fiscal year. The District will be borrowing \$4.4 million, as approved by the voters at the March 21, 2007 Annual Meeting, for the construction of a treatment plant at the Kennedy/Marshall well site in North Acton. \$600,000 was also appropriated at the Annual Meeting from the Grace Fund, to cover the engineering costs associated with the treatment plant. The plant is expected to be on line during FY 2009.

**WATER SUPPLY DISTRICT OF ACTON**

Page 4

## Statement of Net Assets

June 30, 2007

*ASSETS**Current Assets*

Cash and Cash Equivalents	\$ 666,148
Due from Grace Fund	544,523
Accounts Receivable	45,778
Unbilled Accounts Receivable	643,000

Total Current Assets 1,899,449

*Non Current Assets**Capital Assets*

Land	777,225
Projects in Progress	506,888
Depreciable Infrastructure, net	16,358,881
Depreciable Buildings, Property & Equipment, net	1,441,883

Total Non Current Assets 19,084,877

Total Assets \$ 20,984,326

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

Accounts Payable	\$ 126,000
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*Long Term Liabilities*

Accrued Compensated Absences	98,326
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Total Liabilities 224,326

*NET ASSETS*

Invested in Capital Assets, net of related debt	18,958,877
Restricted for Capital Projects	906,841
Unrestricted	894,282

Total Net Assets 20,760,000

Total Liabilities and Net Assets \$ 20,984,326

**WATER SUPPLY DISTRICT OF ACTON**

Statement of Activities

For the Year Ended June 30, 2007

*REVENUES*

Water Rates and Services	\$ 2,242,369
Interest Income	39,847
Total Revenues	<u>2,282,216</u>

*EXPENSES*

Salaries and Wages	957,011
Depreciation Expense	731,526
Lights, Power and Fuel	269,999
Health and Life Insurance	223,132
Maintenance and Operations	109,325
Middlesex Retirement	92,185
Insurance	43,702
Auto Maintenance and Fuel	29,040
Chemicals	20,000
Legal	19,668
Information Reports	15,967
Office Supplies	15,000
Computer Maintenance	14,627
Audit	14,500
Education	13,904
Laboratory Analysis	12,324
Paving	12,000
Hydrants	9,849
Meters	9,300
Postage	8,000
Telephone	7,266
Reserve Expense	6,500
Interest Expense	5,080
D.E.P. Withdrawal and Fees	5,064
Engineering	1,283
Backflow	822
Petty Cash	800
Bank Fees	430

Total Expenses	<u>2,648,304</u>
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<i>Expenses over Revenues</i>	(366,088)
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*OTHER FINANCING SOURCES (USES)*

Transfer from Grace Fund	<u>600,000</u>
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<i>CHANGE IN NET ASSETS</i>	233,912
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Net Assets - Beginning of Year	<u>20,526,088</u>
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Net Assets - End of Year	<u><u>\$ 20,760,000</u></u>
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**WATER SUPPLY DISTRICT OF ACTON**  
 Governmental Funds - Balance Sheet  
 June 30, 2007

	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Total Governmental Funds</i>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$ 666,148		\$ 666,148
Accounts Receivable	45,778		45,778
Less Reserve for Uncollectible	(45,778)		(45,778)
Due from Grace Fund	544,523		544,523
Due from General Fund		\$ 906,841	906,841
<b>Total Assets</b>	<b>\$ 1,210,671</b>	<b>\$ 906,841</b>	<b>\$ 2,117,512</b>
 <i>LIABILITIES AND FUND BALANCES</i>			
<i>LIABILITIES</i>			
Due to Capital Projects Fund	\$ 906,841		\$ 906,841
<b>Total Liabilities</b>	<b>906,841</b>	<b>0</b>	<b>906,841</b>
 <i>FUND BALANCES</i>			
Unreserved	303,830		303,830
Reserved for Capital Projects		906,841	906,841
<b>Total Fund Balances</b>	<b>303,830</b>	<b>906,841</b>	<b>1,210,671</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,210,671</b>	<b>\$ 906,841</b>	<b>\$ 2,117,512</b>

**WATER SUPPLY DISTRICT OF ACTON**

Governmental Funds - Statement of Revenues, Expenditures and

Changes in Fund Balances

For the Year Ended June 30, 2007

	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Total Governmental Funds</i>
<i>REVENUES</i>			
Water Rates and Services	\$ 2,370,691		\$ 2,370,691
Interest Income	39,847		39,847
Total Revenues	<u>2,410,537</u>	0	<u>2,410,537</u>
<i>EXPENDITURES</i>			
Salaries and Wages	988,589		988,589
Bonds, Interest and Fees	382,706	3,479	386,185
Lights, Power and Fuel	269,999		269,999
Health and Life Insurance	223,132		223,132
Maintenance and Operations	109,325		109,325
Middlesex Retirement	92,185		92,185
Insurance	43,702		43,702
Auto Maintenance and Fuel	29,040		29,040
Chemicals	20,000		20,000
Legal	19,668		19,668
Information Reports	15,967		15,967
Office Supplies	15,000		15,000
Computer Maintenance	14,627		14,627
Audit	14,500		14,500
Education	13,904		13,904
Laboratory Analysis	12,324		12,324
Paving	12,000		12,000
Hydrants	9,849		9,849
Meters	9,300		9,300
Postage	8,000		8,000
Telephone	7,266		7,266
Reserve Expense	6,500		6,500
D.E.P. Withdrawal and Fees	5,064		5,064
Engineering	1,283		1,283
Backflow	823		823
Petty Cash	800		800
Bank Fees	430		430
Capital Project Expenditures		605,019	605,019
Total Expenditures	<u>2,325,982</u>	<u>608,498</u>	<u>2,934,480</u>
<i>REVENUES OVER (UNDER) EXPENDITURES</i>	84,555	(608,498)	(523,943)
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers from General Fund to Capital Projects Fund	(247,500)	247,500	0
Transfer from Grace Fund to Capital Projects Fund		600,000	600,000
Transfers from Capital Projects Fund to General Fund	17,077	(17,077)	0
Net Change in Fund Balances	<u>(145,868)</u>	<u>221,925</u>	<u>76,057</u>
Fund Balances - Beginning of Year	<u>449,698</u>	<u>684,916</u>	<u>1,134,614</u>
Fund Balances - End of Year	<u>\$ 303,830</u>	<u>\$906,841</u>	<u>\$ 1,210,671</u>

**WATER SUPPLY DISTRICT OF ACTON**

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances  
to the Statement of Net Assets - For the Year Ended June 30, 2007

Total Governmental Fund Balances	\$ 1,210,671
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	19,084,877
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	45,778
Unbilled accounts receivable	643,000
The Statement of Activities includes accounts payable and accrued expenses incurred not yet paid, whereas in the governmental funds, expenses are not reported until paid.	
Accounts Payable	(126,000)
Accrued Compensated Absences	(98,326)
	<hr/>
Net Assets of Governmental Activities	<u>\$ 20,760,000</u>

**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, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 76,057
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	605,019
Depreciation expense	(731,526)
Some revenue reported in the Statement of Activities does not provide current financial resources and, therefore, is not reported as revenue in the governmental funds.	
Water revenue	(128,321)
Some expenses reported in the governmental funds that required the use of current financial resources had been accrued in the prior year Statement of Activities. Therefore these expenses are not reported as current expenditures in the Statement of Activities.	
Interest expense	9,105
Salaries and wages (compensated absences)	31,578
The repayment of the principal of long-term debt consumes the financial resources of governmental funds, but it has no effect on net assets - Principal paid on bonds.	<hr/>
	372,000
Change in Net Assets of Governmental Activities	<u>\$ 233,912</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, 2007

	<i>Budget</i>	<i>Actual</i>	<i>Variance Positive (Negative)</i>
<i>REVENUES</i>			
Water Rates and Services	\$ 2,426,273	\$ 2,370,691	\$ (55,582)
Interest Income	0	39,847	39,847
Total Revenues	<u>2,426,273</u>	<u>2,410,537</u>	<u>(15,736)</u>
<i>EXPENDITURES</i>			
Salaries and Wages	997,500	988,589	8,911
Bonds, Interest and Fees	389,225	382,706	6,519
Lights, Power and Fuel	270,000	269,999	1
Health and Life Insurance	250,000	223,132	26,868
Maintenance and Operations	110,000	109,325	675
Middlesex Retirement	94,048	92,185	1,863
Insurance	50,000	43,702	6,298
Auto Maintenance and Fuel	30,000	29,040	960
Reserve Expense	25,000	6,500	18,500
Legal	20,000	19,668	332
Information Reports	20,000	15,967	4,033
Chemicals	20,000	20,000	0
Laboratory Analysis	18,000	12,324	5,676
Office Supplies	15,000	15,000	0
Education	15,000	13,904	1,096
Computer Maintenance	15,000	14,627	373
Audit	14,500	14,500	0
Paving	12,000	12,000	0
Engineering	12,000	1,283	10,717
Telephone	10,000	7,266	2,734
Meters	10,000	9,300	700
Hydrants	10,000	9,849	151
Postage	8,000	8,000	0
D.E.P. Withdrawal and Fees	6,500	5,064	1,436
Backflow	1,500	823	677
Petty Cash	1,000	800	200
Bank Fees	1,000	430	570
Accounting	1,000	0	1,000
Total Expenditures	<u>2,426,273</u>	<u>2,325,982</u>	<u>100,291</u>
<i>REVENUES OVER EXPENDITURES</i>	0	84,555	84,555
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers from General Fund to Capital Projects Fund	(247,500)	(247,500)	0
Transfers from Capital Projects Fund to General Fund	17,077	17,077	0
Net Change in Fund Balance	(230,423)	(145,868)	84,555
Budgetary Fund Balance - Beginning of Year	449,698	449,698	0
Budgetary Fund Balance - End of Year	<u>\$ 219,275</u>	<u>\$ 303,830</u>	<u>\$ 84,555</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS REPORT

Mara & Associates, PC  
Certified Public Accountants

**WATER SUPPLY DISTRICT OF ACTON**  
 Fiduciary Fund - Statement of Fiduciary Net Assets - WR Grace Fund  
 June 30, 2007

*ASSETS*

*Current Assets*

Cash and Cash Equivalents	\$ 29,875
Investments	<u>2,920,327</u>
Total Assets	<u>\$ 2,950,202</u>

*LIABILITIES*

*Current Liabilities*

Due to the General Fund	<u>\$ 544,523</u>
Total Liabilities	544,523

*NET ASSETS*

Restricted for WR Grace Fund (water improvement activities)	<u>2,405,679</u>
Total Liabilities and Net Assets	<u>\$ 2,950,202</u>

**WATER SUPPLY DISTRICT OF ACTON**

Fiduciary Fund - Statement of Changes in Fiduciary Net Assets - WR Grace Fund  
 For the Year Ended June 30, 2007

*ADDITIONS*

Dividend and Interest Income	\$ 121,797
Net Increase in the Fair Value of Investments	<u>143,879</u>
Total Additions	265,676

*DEDUCTIONS*

Investment Management Fees	21,739
Maintenance and Operations	93,221
Pilot Study	10,717
Assabet Well	<u>40,662</u>
Total Deductions	<u>166,339</u>

*Additions over (under) Deductions* 99,337

*OTHER FINANCING SOURCES (USES)*

Transfer to Capital Projects Fund	<u>(600,000)</u>
Change in Net Assets	(500,663)
Net Assets - Beginning of Year	<u>2,906,342</u>
Net Assets - End of Year	<u>\$ 2,405,679</u>

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2007**

**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, 2007**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The District considers all highly liquid investments with a maturity date of less than one year to be cash equivalents. The District maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The District has not experienced any losses in such accounts. The District believes it is not exposed to any significant credit risk on cash.

**NOTE 3 - INVESTMENTS**

The WR Grace Fund investments are managed pursuant to Massachusetts General Laws. The objective of the Grace Fund is to cover major capital expenses needed to improve water quality or quantity. The fund is managed by Brown Brothers Harriman with the guideline that there is low risk to principal while providing a continuing revenue stream.

The Finance Committee of the District has established investment objectives such that funds are to be invested 30-50% in equities and 50-70% in fixed income obligations, with less than 10% of the portfolio in cash equivalents. These objectives are general guidelines and because of a \$600,000 appropriation to be spent in the beginning of the next fiscal year the investment company was directed to increase the amount invested in cash equivalents. At June 30, 2007, the funds were invested 38% in equities, 37% in fixed income obligations and 25% in cash equivalents.

The WR Grace Fund investments are carried at fair value. During the year ended June 30, 2007, the District realized a net gain of \$132,563 from the sale of investments. The net increase in the fair value of investments during the year was \$12,359. These amounts take 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 year ended June 30, 2007 the Finance Committee, in cooperation with Brown Brothers Harriman, restructured approximately half of

the value of the investments that were not on the legal list, and it intends to restructure the remaining investments in a prudent yet expedient manner.

**NOTE 4 - INTERFUND RECEIVABLE AND PAYABLE**

At June 30, 2007, on Governmental Funds - Balance Sheet, \$906,841 is due to the Capital Projects Fund from the General Fund and \$544,523 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, 2007 were \$92,185.

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 \$15,000 per year (\$20,000 for employees age 50 or older). District match contributions for the year ended June 30, 2007 were \$23,601, which are included in Salaries and Wages.

**WATER SUPPLY DISTRICT OF ACTON**  
**Notes to the Financial Statements**  
**June 30, 2007**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the District the year ended June 30, 2007 consisted of the following:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 777,225			\$ 777,225
Infrastructure	26,789,104	149,401		26,938,505
Buildings	520,000			520,000
Vehicles	312,681	74,730	(14,967)	372,444
Machinery & Equipment	2,197,004			2,197,004
Capital Assets Under Construction	0	506,888		506,888
<b>Total at Historical Cost</b>	<b>30,596,014</b>	<b>731,019</b>	<b>(14,967)</b>	<b>31,312,066</b>
<b>Less Accumulated Depreciation</b>				
Infrastructure	10,040,854	538,770		10,579,624
Buildings	216,875	13,000		229,875
Vehicles	192,165	30,436	(14,967)	207,634
Machinery & Equipment	1,060,737	149,320		1,210,057
<b>Total Accumulated Depreciation</b>	<b>11,510,631</b>	<b>731,526</b>	<b>(14,967)</b>	<b>12,227,190</b>
<b>Capital Assets, Net</b>	<b><u>\$ 19,085,383</u></b>			<b><u>\$ 19,084,876</u></b>

**NOTE 7 - SHORT TERM DEBT**

The following is a summary of the changes in short-term debt for the year ended June 30, 2007:

Description	Original Amount	Interest Rate	Balance 6/30/06	Paid Down	Balance 6/30/07
Water Mains '03	\$650,000	3.45%	\$210,000	\$210,000	0
Water Mains '05	\$650,000	3.79%	\$162,000	\$162,000	0

Interest and fees expense of \$5,080 reported in the Statement of Activities reflects the accrual basis calculation of interest incurred during the year ended June 30, 2007, regardless of when the actual payments of interest were made by the District. During the year ended June 30, 2007, the following breakdown of payments is reported as "Bonds, Interest and Fees" in the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances:

Water Mains '03 – principal	\$210,000
Water Mains '05 – principal	162,000
Interest expense & fees paid	<u>10,706</u>
<b>Total "Bonds, Interest and Fees"</b>	<b><u>\$382,706</u></b>

The District applied the remaining \$3,479 in bonded cash against the Water Mains '05 short term debt in the year ended June 30, 2007.

WATER SUPPLY DISTRICT OF ACTON  
Notes to the Financial Statements  
June 30, 2007

**NOTE 8 - COMMITMENTS**

As of June 30, 2007 the District has authorized and unissued loans. Voters at the 2002 Annual Meeting authorized the District to issue \$1,500,000 in new bonded indebtedness for the purpose of constructing water mains. During the years ended June 30, 2003 and 2005, the District issued \$1,300,000 in bonds. The bonds have been repaid in full. The District has \$200,000 remaining in authorized but unissued bonds for the purpose of constructing water mains. Voters at the 2007 Annual Meeting authorized the District to issue \$4,400,000 in new bonded indebtedness for the purpose of constructing a water treatment facility. No bonds have been issued for this construction.

The District has entered into certain contracts for water main installations, for development of well control systems, for improvements to existing water lines, for improvements to water quality, for the purchase of a utility vehicle and for the construction of an addition to the maintenance garage.

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

CONCLUDED.

**WATER SUPPLY DISTRICT OF ACTON**

Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity

For the Year Ended June 30, 2007

	<i>BEGINNING BALANCE 06/30/06</i>	<i>TRANSFERS FROM GEN'L FUND</i>	<i>TRANSFERS (TO) GEN'L FUND</i>	<i>TRANSFERS FROM GRACE FUND</i>	<i>PAYMENTS MADE</i>	<i>BOND PAYDOWN</i>	<i>ENDING BALANCE 06/30/07</i>
Dump Truck with Plow 04	15,974		(15,974)				0
Garage Addition 06	500,000	65,000			350,688		214,312
Inspect Clean Storage Tanks	225		(225)				0
Leak Detection Survey 06	13,000		(880)		12,120		0
Master Plan Update 06		52,500			14,850		37,650
New Service Vehicle 06		30,000			25,610		4,390
Treatment Plant Engineering				600,000	30,200		569,800
Utility Service Vehicle 06	50,000				50,000		0
Water Main Emergency 05	18,899				18,899		0
Water Main Emergency 06	10,000	10,000			20,000		0
Water Main Emergency 07		25,000			9,210		15,790
Water Main Replacement 06	22,771	20,000			29,106		13,665
Water Main Replacement 07		20,000					20,000
Water Mains Bonded 05	3,477					3,477	0
Well Clean & Rehab 05	25,570				25,570		0
Well Clean and Rehab 06	25,000				18,766		6,234
Well Clean and Rehab 07		25,000					25,000
	<u>684,916</u>	<u>247,500</u>	<u>(17,079)</u>	<u>600,000</u>	<u>605,019</u>	<u>3,477</u>	<u>906,841</u>

See Independent Auditor's Report

# Acton Water District Annual Meeting

Acton Boxborough High School  
Common C Cafetorium  
36 Charter Road  
Acton, Massachusetts  
Wednesday, March 21, 2007  
7:30 P.M

**Article 1.** Voted to fix salaries of the elected officials.

PASSED UNANIMOUSLY

**Article 2.** Voted to accept the reports of the Commissioners, the Treasurer and other officers and committees of the District.

PASSED UNANIMOUSLY

**Article 3.** Voted to authorize the Treasurer, with the approval of the Commissioners, to borrow in anticipation of the revenue of the fiscal year beginning July 1, 2007, in accordance with the provisions of General Laws, Chapter 44, Section 4, and to renew any note or notes as may be given for a period of less than one year, in accordance with the provisions of the General Laws, Chapter 44, Section 17.

PASSED UNANIMOUSLY

**Article 4.** Voted to raise and appropriate to defray the usual expenses of the District.

PASSED UNANIMOUSLY

**Article 5.** Voted to transfer from Surplus Revenue the sum of \$25,000 to clean and rehabilitate existing wells throughout the District.

PASSED UNANIMOUSLY

**Article 6.** Voted to transfer from Surplus Revenue the sum of \$25,000 for the purpose of repairing emergency water main breaks.

PASSED UNANIMOUSLY

**Article 7.** Voted 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.

PASSED UNANIMOUSLY

**Article 8.** Voted 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.

PASSED UNANIMOUSLY

**Article 9.** Voted to transfer from Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of \$600,000 for the engineering services and related costs and expenses associated with the design and construction of a water treatment facility at the Kennedy and Marshall well sites off of Main Street in North Acton.

PASSED UNANIMOUSLY

**Article 10.** Voted to appropriate \$4,400,000 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 authorized to borrow up to \$4,400,000 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.

PASSED UNANIMOUSLY

**Article 11.** Voted 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 \$225.00, Article 5, of the Annual Meeting of March 15, 2006, for the inspection and cleaning of the existing water tanks throughout the District.
- B. Unexpended balance in the sum of \$880.00, Article 6, of the Annual Meeting of March 15, 2006, for purchase of a new four-wheel drive truck.
- C. Unexpended balance in the sum of \$15,973.57, Article 5, of the Annual Meeting of March 17, 2004, for purchase of a new automobile.

PASSED UNANIMOUSLY

## **Annual Election Results 2007**

Results for the Annual Election held on March 27 2007 for the District are:

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

Number of Ballots cast: 2612

Commissioner	Ron Parenti	3 Year Term	1458 votes (winner)
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## **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.