Annual Report

ACTON WATER DISTRICT

For the year ending December 31, 2014

Warrant Articles for the Annual Meeting

March 18, 2015

The first of two aeration towers is hoisted into position on September 9, 2014 at the South Acton Water Treatment Plant.

Index

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

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.

THIS PAGE LEFT BLANK INTENTIONALLY

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, 2 & 6 - Conant School, 80 Taylor Rd.
Precinct 3, 4 & 5 - Blanchard Auditorium, Junior High School, 16 Charter Rd.
Acton, Massachusetts

On Tuesday, March 31, 2015
Between 7:00 A.M. and 8:00 P.M.

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

Commissioner for three years
Moderator for three years

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

Acton Memorial Library
486 Main Street
Acton, Massachusetts

On Wednesday, March 18, 2015
7:30 P.M.

Then and there to Act on the following 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, 2015, 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 Receipt Reserve for Appropriation Account (W.R. Grace settlement) the sum of $150,000 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 6. To see if the District will vote to transfer from Surplus Revenue the sum of $50,000 to clean and rehabilitate existing wells throughout the District or to take any other action relative thereto.

Article 7. To see if the District will vote to transfer from Surplus Revenue the sum of $35,000 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 $40,000 for the purpose of repairing emergency water main breaks or to take any other action relative thereto.

Article 9. To see if the District will vote to transfer from Surplus Revenue the sum of $60,000 for the replacement of the granular activated carbon media at the Clapp and Whitcomb well sites on Massachusetts Avenue in Acton or to take any other action relative thereto.

Article 10. To see if the District will vote to transfer from Surplus Revenue the sum of $40,000 for improvements and upgrades to the District's wells at the Clapp and Whitcomb well sites on Massachusetts Avenue in Acton 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 $15,000 to complete a system-wide leak detection survey 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 to purchase a new service truck and to authorize the Commissioners to trade or sell the District's 2002 Chevrolet 2500 Silverado service truck 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 $75,000 for the purpose of purchasing water meters to replace existing outdated technology on District service lines, or to take any other action relative thereto.

Article 14. To see if the District will vote to appropriate the sum of $500,000 for water main improvements throughout the District's water system or to take any other action relative thereto.

Article 15. 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 ground-mount solar photovoltaic system and associated equipment and materials on land owned by the District, located at 16 Knox Trail and the School Street well sites at 62 Lawsbrook Road in Acton. The written lease shall include the most favorable annual lease payment or power purchase agreement terms received in response to a request for proposal to be issued by the District and shall provide for electric power supply to the District's wells and treatment facilities. The lease or power purchase agreement shall include other terms, conditions and limitations as the Commissioners shall deem necessary and proper to protect the public water supply or to take any other action relative thereto.

Article 16. 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 balance remaining after the completion of projects authorized by vote of the District: Unexpended balance in the sum of $79,500.00, Article 12, of the Annual Meeting of March 18, 2014, for the repair of the granular activated carbon vessels Clapp/Whitcomb pump station 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 4th day of February in the year two thousand and fifteen.

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

A true copy. ATTEST:

Charles E. Orcutt, III
District Clerk

FY 2016 Budget and Estimated Revenue

	Actual FY 2014	Budget FY 2015	6 Month Actual	Budget FY 2016
EXPENSES				
Accounting	0	2,000	2,000	2,000
Audit	15,000	15,000	15,000	15,000
Auto Maint & Fuel	49,994	50,000	28,155	50,000
Backflow/Cross Conn	900	1,000	-	1,000
Bank Fees	500	500	-	500
Short Term Debt	0	110,000	-	100,000
Long Term Debt	535,800	724,988	363,445	1,565,000
Chemicals	58,397	65,000	27,049	65,000
Computer Maintenance	13,614	15,000	1,278	15,000
DEP Withdrawal	5,085	6,500	-	6,500
Employee Education	11,118	18,000	5,323	18,000
Engineering	40,906	50,000	22,949	50,000
Health/Life Insurance	290,976	325,000	129,810	325,000
Hydrants	9,991	10,000	8,148	10,000
Information Reports	8,093	12,000	1,985	12,000
Insurance	45,561	75,000	63,492	90,000
Laboratory Analysis	39,911	32,000	17,708	32,000
Legal	46,314	50,000	20,040	40,000
Lights/Power/Fuel	305,682	350,000	125,553	350,000
Maintenance & Operations	240,000	210,000	70,559	210,000
Middlesex Retirement	124,835	135,958	133,367	167,500
Meters	98,713	100,000	86,930	100,000
Office Supplies	6,136	18,000	6,753	18,000
OPEB Expense	150,000	150,000	150,000	100,000
Paving	40,906	60,000	5,639	60,000
Petty Cash	700	1,000	300	1,000
Postage	17,280	18,000	5,146	18,000
Reserve Fund	100,000	100,000	-	100,000
Salaries & Wages	1,056,004	1,219,226	575,653	1,250,000
South Acton WTP M&O		150,000	22,998	150,000
Telephone	12,305	18,000	5,358	18,000
Total	**3,324,721**	**4,092,172**	**1,894,638**	**4,939,500**
REVENUE				
Water Revenue	2,450,065	2,449,869	1,409,359	2,434,892
Service Fee	500,940	500,940	253,500	508,920
Debt Service Fee	492,591	726,363	367,575	1,560,688
Total Water Revenue	3,443,596	3,677,172	2,030,434	4,504,500
Fire Protection Sprinklers	36,866	39,000	36,786	38,000
Rent/Lease	143,270	130,000	68,617	142,000
Repairs/Installation	68,277	30,000	39,201	35,000
Cross Connection	21,588	16,000	12,149	20,000
Demand Fees	492,640	200,000	163,280	200,000
Total Other Revenue	762,641	415,000	320,033	435,000
Total	**4,206,237**	**4,092,172**	**2,350,467**	**4,939,500**

Report of the Treasurer
Audited Account Balances
June 30, 2014

Sovereign Bank		291,421.28
Enterprise Bank		791,688.05
MMDT		404,416.85
Citizens Bank		6,691.39
Webster Bank		41,409.78
First Trade Union		28,356.65
UniBank		704,652.76
	Total	2,268,636.76

Report of the Collector
Audited Account Balances
June 30, 2014

Accounts Receivable June 30, 2013	117,240.03
Charges	4,227,474.35
Interest Charges	23,923.11
Refunds	2,886.67
	4,371,524.16
Payments	4,206,236.40
Abatements	14,219.77
Adjustments	-
Outstanding June 30, 2014	151,067.99
	4,371,524.16

Outstanding Debt
June 30, 2014

Description	Original Amount	Interest rate	Date of Issue	Date of Maturity	Balance
Treatment Plant	6,000,000	3.57%	2/15/2009	2/15/2029	4,500,000
Water Mains	2,135,000	2.03%	8/15/2013	8/15/2023	2,135,000
SA Treatment Plant	5,659,498	0.11%	4/15/2014	1/7/2015	5,659,498

Respectfully submitted,
Mary J. Bates
Treasurer/Collector

Report of the Commissioners 2014

It is my privilege to report, among the accomplishments of the Acton Water District during 2014, a distinctive highlight: the construction of the state-of-the-art $13.5 million South Acton Water Treatment Plant (SAWTP) and associated piping. This beautiful new facility and the related distribution piping linking the School Street wells and the Assabet wells with the SAWTP is the largest capital project ever undertaken by the Acton Water District.

The main purpose of the SAWTP is to solve an aesthetic water quality problem—a dark-colored precipitate that has been produced in the pipes over the years. Naturally occurring iron and manganese in the groundwater react with the chlorine that the District adds to the water to control bacteria. This reaction in pipes produces the troublesome precipitates, which show up as noticeably “brown” water reported by a number of residences throughout Acton. In response to these complaints, over the past several years the District has investigated a range of filtration processes and selected the Pall micro-filtration system to remove the majority of iron and manganese before the treated water enters the distribution system. This process will prevent further precipitation, and consistent, periodic flushing of the pipes will remove the historical sediment over time.

The new treatment facility was constructed behind Powdermill Plaza at the Assabet well site. Over two miles of new transmission pipes will direct water for filtration from the School Street well site to the new treatment plant. The pipe was installed in the public right of way on School Street and Parker Street through Assabet Crossing and then cross-country into the new treatment plant. The final connection was especially challenging, achieved in part over a multi-day, round-the-clock hydraulic pipejacking of a 42-inch diameter, 70 foot long welded steel sleeve under the train tracks on Parker Street. Two carrier pipes were then installed through the sleeve: one 10-inches and the other 12-inches in diameter. Once complete and tested for leak tightness, the 10-inch pipe will connect the transmission line from the School Street wells to the new South Acton Water Treatment Plant; the 12-inch pipe is for future distribution system improvements, capitalizing on the opportunity to install it now. The mild early winter weather enabled construction of both the plant and the piping to progress on schedule. As noted last year by then Chairman Stuntz, the District was able to borrow from the State Revolving Fund at 2% rather than a normal rate of 4%.

In other activity, the District worked with Town entities to redraft portions of Section 4.3–Groundwater Protection District, of the Acton Zoning Bylaw. The changes were drafted in order to strengthen the protections afforded to the sources of drinking water supplied to the residents of the Town by protecting against inappropriate development and activities on lands proximate to our wells throughout the town. In addition, the District added a provision enabling the Planning Board, when acting as a special permit granting authority for nonconforming uses, to require the installation of groundwater monitoring wells. This effort was launched as a realization of the greater implications posed by ill-advised development and land use such as the recent efforts by the Town of Concord to acquire land on Knox Trail for the storage and maintenance of buses, including and despite concerns stated by the District on the floor of the Concord Special Town Meeting (Article 1 on the Warrant of December 4, 2013) and through numerous other communications.

Realizing the threat posed to our wells by runoff from such activities, the Commissioners called on the able assistance and advice of the Water-Land Management Advisory Committee and an outside consultant to frame the scope and finalize the language of the proposed amendment. The District’s changes to the Acton Zoning Bylaw were approved by a unanimous vote at the Special Town Meeting (Article 10 on the Warrant of November 12, 2014). The District is currently working with the Town to formulate additional zoning law modifications that will be presented to the voters at a future Town Meeting.

Future challenges facing the District include the potential imposition of more stringent limits to our withdrawal of water from our wells that are regulated by the Commonwealth. In particular, we face the still unknown effects of the Sustainable Water Management Initiative (SWMI) created by the Commonwealth's Executive Office of Energy and Environmental Affairs (EEA) to amend the Water Management Act (M.G.L. Chapter 21G), the statute that regulates water withdrawals in the Commonwealth. As was the case during the summer of 2014, lawn and outdoor water use may need to be further restricted. Our existing outdoor water use bylaw (summarized on the back cover of this report), are designed to be fair and equitable. When customers do not follow this schedule of use, the balance between basic water needs, for safety and sanitation and more discretionary uses, such as lawn watering and recreation, are challenged. We thank those customers who continue to follow our bylaw and remind others of the challenges in maintaining a robust water supply, especially during the summer months.

As the Commissioners note each year in this report, our priority is the long-term direction of the District. We meet twice a month for most months of the year, and our meetings are posted and open to the public. Oversight of the District's day-to-day operations is handled with outstanding professionalism by the District staff at the direction of the District Manager, which makes our job that much easier.

Respectfully submitted,

Leonard A. Phillips, Chairman

Ronald R. Parenti

Stephen C. Stuntz

Commissioners typically meet on the second and fourth Monday of each month, at 7:30 P.M., 693 Massachusetts Avenue, Acton.
Meeting agendas and minutes are posted on our website:
www.actonwater.com
The public is welcome to attend.

Report of the Finance Committee for 2014

We are pleased to report that the financial strength of the Acton Water District (the "District") remains strong even as it greatly increases its assets and debt to address the need for capital assets and to fund a retirement benefit commitment. Short term liquidity, that is the ability to pay our ongoing bills, also continues to be very strong. The District's investment portfolios, set up to deal with future major capital projects and medical retirement benefit obligations due in the future, are being prudently managed. These are the principal areas of attention for the Finance Committee. Following is a more detailed discussion of each area.

Financial Strength

The District has maintained its AA+ bond rating even as it has increased outstanding debt from zero as of fiscal year end June 30, 2007 to $12.4 million at fiscal year end June 30, 2014 in order to finance the construction of two water treatment plants. The outstanding bond balance is expected to grow to about $18.2 million to fund the completion of the South Acton plant. To put it in perspective, each of the approximately 8,500 units served by the District owes about $2,100 each based on the expected $18.2 million debt.

Moreover our District Manager has told us to be ready to fund a third plant within the next three years. Consequently the Finance Committee gives a high priority to maintaining the District's financial strength so that it continues to have access to low cost debt to fund these projects. The Finance Committee focuses on several areas to maintain the District's financial strength.

<u>First, to ensure revenue is sufficient to pay operating expenses, purchase short-lived assets (trucks, other equipment), deal with unexpected repairs (like water main breaks) and to cover debt service obligations.</u> We have historically budgeted revenues and expenses conservatively to ensure that cash deficits are rare. Continuing prudence in this area requires that the debt service fee increases from $21.75 per quarter to $46.00 per quarter. Unfortunately a general rate increase is also likely to fund growing operating expenses due to the new plants and inflation.

<u>Second, to limit the growth of long term liabilities that will negatively impact future cash flow and thereby stress our customers' willingness to pay water rates</u>. During this period of rapid growth in capital assets the District is also funding a retirement medical plan (often referred to as Other Post-Employment Benefits or "OPEB") offered to our employees. In fiscal year 2011 we began funding an investment trust to be used to pay for future OPEB costs. As of June 30, 2014 we have built an investment fund of about $400,000 and we have budgeted a $100,000 contribution to the fund in fiscal year 2015. We are in the vanguard among municipal entities to recognize and address this liability. Ultimately we expect that fully funding the OPEB obligation for the prior service of employees will require an investment portfolio of about $2.4 million. We will receive the latest biennial actuarial report in the coming months and expect to develop a long term funding plan at that time.

As discussed last year, the Middlesex County Retirement Plan is 56% unfunded which represents a retirement liability (discounted to today's dollars at 8%) to the District of $2.6 million. It doesn't take an actuary (we're not!) to figure out that increased assessments to this plan can be expected. Unfortunately this is another example of obtaining services today and sending the bill to future customers that is so popular with politicians everywhere. The Finance Committee will consider how to better match the retirement payment with the time period when the service is provided.

Third, to encourage continuing adequate investment in the water supply infrastructure. We note that a water distribution operation is at risk of accumulating deferred maintenance and replacement costs which also leads to higher annual costs (from leaks due to leaky pipes, for instance). We have once again included funding in the budget ($500,000 in fiscal year 2015) to replace or repair aging water mains.
Fourth, to encourage the optimal use of District assets. For example, District management actively seeks ways to generate other revenues from District land consistent with preserving our water resources. Revenue from a cell tower and the possible installation of a solar powered electricity generating facility are examples of how the District works to mitigate the costs of treating and delivering water to our homes and businesses.

Liquidity

Maintaining strong liquidity begins with a realistic budget that generates neutral or positive cash flow. It also includes maintaining an adequate safety net to address unexpected problems. As already mentioned, the District has a history of conservative budgeting. The District also has a good safety net beginning with about $1.4 million of cash at fiscal year end June 30, 2014 which represents almost six months of operating expenses during the year. In addition the District has the ability to borrow against receivables which represents about $700,000 in borrowing capacity.

Investments

The Finance Committee reviews the performance of two District funds – the $2.4 million Grace fund and the $400,000 OPEB fund. Each is ably managed by Boston Financial Management. The Grace fund is limited to 50% in equities. The lower limit is mostly due to state-imposed restrictions in the equities the fund may own. Finance Committee member Dave Butler continues to work with our state legislators to amend the law to allow us to invest according to the prudent man rule. The OPEB fund is well diversified and is limited to equities, bonds, and money market funds with equity limited to a maximum of 70% of the portfolio. Our current intention is to fund current benefits payable from operations and to make additional contributions to the fund for the foreseeable future. Consequently with a long term time horizon this fund is able to seek the higher returns and bear the greater volatility of equities.

Finally, the Finance Committee would like to thank the Commissioners, management and staff for their help during the last year.

Respectfully submitted,

William Guthlein, Chairman

Charles Bradley

David A. Butler

Report of the District Manager 2014

As seems to have become the trend, 2014 was, again, an extremely challenging and busy year. The South Acton Water Treatment Plant (SAWTP) project is ongoing, and soon to conclude with the facility commissioning. We continued our annual infrastructure improvements with the completion of projects on High Street, Hayward Road, and Stow Street. There were impactful changes in state regulations in the area of water withdrawal with alterations to the Water Management Act.

We are on the cusp of commissioning the SAWTP, a much anticipated, landmark event. This facility will filter discoloring mineral constituents, primarily iron and manganese, out of the water prior to entry into the distribution system pipes. The initial Administrative Consent Order (ACO), executed back in 2010, required commissioning by January of 2015. However, due to delays in construction from weather and other external factors, the Massachusetts Department of Environmental Protection (MassDEP) authorized a 90-day extension putting the current mandated deadline at April 15, 2015. This project is unprecedented in District history, and brings a $13.5-million price tag with it. Since we were approved for the entire amount through the Massachusetts State Revolving Fund (SRF), the project is being funded through the Massachusetts Water Pollution Abatement Trust at a rate of interest of 2%. This low interest loan on a 20-year Promissory Note will save ratepayers approximately $2-million over the life of the loan. Of course, the burden of this debt must be equitably shared by all customers, and, thusly, the “Bond Debt Fee”, implemented in January 2013, will rise from $21.75/quarter to $46/quarter beginning with the July bill. We firmly understand the larger financial burden that this places on our rate payers, and, thusly, in the spirit of fairness, we are constantly scrutinizing our financial matters.

Two major water main improvement projects were completed. Over one mile of 8-inch pipe on High Street was replaced with 12-inch pipe to accommodate increased flowrates from the soon-to-be-commissioned SAWTP. Additionally, over 6,000-linear feet of pipe on Hayward Road and Stow Street was replaced in a project that began in October of 2013. These pipes were prioritized for replacement due to a history of failure causing roadway damage and service outages. While very necessary, the replacement of buried infrastructure is extremely impactful and disruptive. The need to excavate in the existing public right-of-way creates the need for detours and road closures, and simply interferes with the routines of normal life. Our water main system is a 135-mile interconnected network of varying diameter pipes throughout the town of Acton. Furthermore, historically, some of these pipes are as old as the Water District, and a high majority of them are beyond usable life.

Our commitment to improve the system at a rate of $500k per year yields a replacement rate of about 0.5%, given current market pricing. The extensive planning, engineering and construction that must be executed requires pinpoint logistical accuracy and multi-departmental coordination. Roadway construction, except for emergencies, typically can only take place in the good weather, hence, the window of opportunity is short, making these projects more challenging. Cost is a significant consideration, as most infrastructure improvements are funded through borrowing. This generates a further impact on the ratepayer, as this debt is also spread equitably across the rate base in the “Bond Debt Fee”.

In 2014, state entities, with participation from stakeholders, concluded a multi-year evaluation of water withdrawals in Massachusetts, referred to as the Sustainable Water Management Initiative (SWMI). In October, this resulted in changes to the Water Management Act, the statute that regulates water withdrawals statewide. This was based on largely theoretical science, and the primary objectives are to maintain adequate stream flows, and sustain Fluvial Fish populations. The state is broken down into river basins, ours being the Concord River Basin, and evaluated based on the level of stress under which a basin is categorized. There have been a couple of postponements of renewal for our Withdrawal Permit. Currently, it is due to be evaluated for renewal in August of 2016. Although the impacts to our system are still unknown, the worst case, we could see some reduction in our permitted capacity. This would not only impact new connections but may merit more restrictive actions associated with demand management and conservation. Lawn irrigation and other non-essential uses would be a primary focus for further restriction. Water efficiency retrofits, water reuse, and mitigation fees could be in the foreseeable future for customers seeking new or additional water service.

I would like to thank the Board of Water Commissioners and the Finance Committee for their wisdom and guidance; the staff of the Water District for their daily high level of effort and unswerving resolve; and, all volunteers and officials for their conscientious and diligent service. I'd like to express sincere gratitude to the Acton Police, Highway, and Engineering Departments for their support and cooperation maintaining progress on the SAWTP project; their assistance has been critically instrumental during extremely challenging times.

Respectfully Submitted,

Chris Allen

Report of the Environmental Manager for 2014

Environmental Compliance
We completed all drinking water monitoring and notification requirements under the Safe Drinking Water Act (SDWA), including monitoring under the Unregulated Contaminant Monitoring Rule 3. Water quality studies were implemented to optimize treatment processes at the North Acton and Clapp/Whitcomb treatment facilities. Continued sampling for manganese in our distribution system and 1,4-dioxane in South Acton was conducted in coordination with the Massachusetts Department of Environmental Protection (MassDEP).

Energy and Water Conservation
In 2014, 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 21 washing machines and 41 toilets being replaced with more water efficient models. Customers received 19 subsidized rainbarrels through our partnership with the Great American Rainbarrel Company. The District continued to partner with the EPA WaterSense program and the Alliance for Water Efficiency to provide tools for our customers to make better water use decisions. I continued my work as a member of the New England Water Works Association (NEWWA) Conservation Committee, this provides opportunities to highlight Acton's achievements in water efficiency and conservation to others throughout the region and guide State policies, such as the Sustainable Water Management Initiative (SWMI). In addition to providing comments on the proposed policy, I also served on the Massachusetts Water Conservation Standards Workgroup, tasked with updating the conservation standards that will be expected of water suppliers. In preparation for SWMI, the District received a grant from MassDEP to conduct an audit of our water use accounting and water loss control programs.

Source Water Protection
This was a busy year for source protection activities. I participated on the Town of Acton Open Space Committee and Water Resources Advisory Committee, working on open space protection initiatives and stormwater management. In cooperation with the Water Land Management Committee, the Board of Health, and Planning Board, and assisted by GeoSphere Environmental, changes to the Groundwater Protection District (GPD) bylaw were approved at a Special Town meeting in November. Additional opportunities may exist to better protect our water supply through amendments to existing bylaws outside of the GPD overlay. This process was driven by recognition of increasing development pressures in sensitive aquifer areas as evidenced by multiple proposals over the past two years. We continued our participation in technical meetings and review of documents related to the ongoing Acton-WR Grace site cleanup process. During the summer, we formally became a stakeholder in the Nuclear Metals, Inc. Superfund Site in Concord. Our interest in this site relates to a groundwater plume that we have been tracking since 2013 and may be impacting the Assabet wells.

Education and Outreach Programs
We taught over 200 Acton students involved in water-related classroom curriculum. This ranged from 4^{th} grade classes to the high school Environmental Science class. Through the high school's Senior Internship Program, we sponsored Jin Wong during the month of May as an Environmental Intern. She assisted with preparation of the Consumer Confidence Report and various water quality and conservation programs. The Annual Report of the District was published electronically this year. A combined newsletter with the Annual Meeting Warrant was mailed to all billed customers announcing its availability at www.actonwater.com/annualreport. This is another step towards offering more electronic communications to our customers.

Respectfully Submitted,

Matthew Mostoller

Report of the M.I.S. Coordinator for 2014

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

Software/Hardware/Technology

Our new website is more than a mere facelift. We listened to customer wants and needs and are excited to rollout this new resource. The site was designed to highlight the important topics and information that impact our customers the most, while easily navigating to subpages, to find out detailed information about the inner workings of the District. If you have suggestions or comments on how to make our site better, please let me know.

Did you know that we utilize the Town of Acton ConnectCTY system to contact our customers in an emergency or for other outreach? If you have not registered your phone number with this system, we strongly encourage you to visit the Customer Service section of our website and follow the links to register. In 2014, 25 important messages were delivered using the ConnectCTY system.

Cross Connection Control Program

A cross connection is any actual or potential connection between a distribution pipe of potable water supplied by the public water system and any waste pipe, soil pipe, sewer, drain or other unapproved source. If not properly protected or eliminated, a cross connection can cause health problems and spread disease. There are two methods by which contamination can enter the drinking water, backpressure and backsiphonage. Backpressure occurs when the pressure in the property exceeds the drinking water pressure. Backsiphonage occurs when the drinking water pressure drops off and a vacuum pulls the water from a building. The property owner shall be responsible for the elimination or protection of all cross-connections on his premises. The Water District routinely surveys and tests all non-residential properties and residential owners are required to have backflow protection on their irrigation systems as well as any other possible cross connections. All services are installed with a dual check backflow preventer at the meter.

Meters and Billing

To date we have outfitted 4,914 meters with the newest Orion reading technology transponders, with 1,636 left to be retrofitted. We have focused our replacement efforts into specific areas of town to minimize travel and gas expense. If you receive a letter requesting an appointment for this free service, please call us immediately. In the fourth quarter of 2014, the Orion system detected 280 potential leaks. One of our commercial customers was notified of their leak and after making repairs cut their bill by over 244,000 gallons of water at a savings of over $2,000.00.

We have moved to a new print vendor for your bills in order to better meet the needs of our staff and customers. Although we have only used them for one billing cycle, they are much more professional and responsive. We have begun discussions with them on providing a customer portal and being able to offer you an E-bill option. I expect this to be available in 2015.

Staff

A new employee joined the Water District this year, we welcome Josh Richard.

Respectfully Submitted,

Robert Murch
MIS Coordinator

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

WATER SUPPLY DISTRICT OF ACTON

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

TABLE OF CONTENTS

Mara CPA, PC
Certified Public Accountant – Professional Corporation
PO Box 1555, Concord, MA 01742 maureen@maracpa.com 978-371-2113

Independent Auditor's Report

Report on the Financial Statements
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, 2014 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the aggregate remaining fund information of the Water Supply District of Acton, as of June 30, 2014, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mara CPA, PC
August 21, 2014

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, 2014.

Financial Highlights

The assets of the Water Supply District of Acton exceeded its liabilities at the close of the fiscal year by $22,230,483 (net assets). Of this amount, $1,443,126(unrestricted net assets) may be used to meet the ongoing obligations of the District.

The total assets of the District are $35,730,518. Of this amount, $3,331,708 represents current assets and $32,398,810 represents capital assets.

The total liabilities of the District are $13,500,035. Of this amount, $6,257,498 represents current liabilities and $7,242,537 represents long term liabilities.

Total net assets of the District are $22,230,483. This includes $20,003,607 invested in capital assets, net of related debt, $783,750 which is restricted for capital projects and $1,443,126 which is unrestricted. The change in net assets for the fiscal year amounts to an increase of $508,657.

During the fiscal year ended June 30, 2013, the District updated the actuarial valuation for Other Post Employment Benefits (OPEB), as required by the Governmental Accounting Standards Board (GASB) Statement #45. The District incurred an expense for its unfunded actuarial liability of $102,696.

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 greater than budgeted revenues by $479,469. Actual expenditures were less than budgeted expenditures by $534,437.

The Fiduciary Fund Financial Statements contain revenues and expenses relating to the W.R. Grace Fund, restricted funds which can only be used for expenditures relating to improving water quality, and the OPEB Trust Fund, restricted funds which can only be used to fund the District’s OPEB obligations.

Comparison of current year to prior year (Governmental Funds)

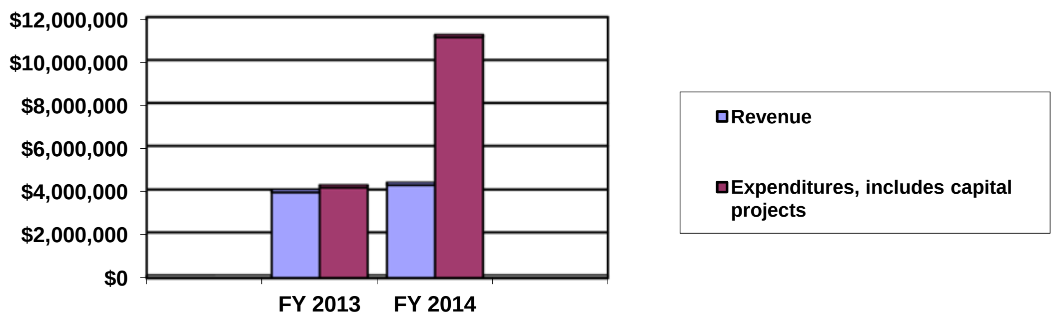
The total revenue for the District was $4,324,165. Income for the Water Supply District of Acton is generated from water rates, installation of new services and investment income. Income from water rates and services was $227,617 greater than last year. Investment income was $9,148 less than last year.

Total expenditures for the year amounted to $11,181,798. This includes the expenditure of $7,871,710 for capital projects. Expenditures for the current fiscal year increased from the previous fiscal year by $6,979,251.

At the close of the fiscal year the Unreserved Fund Balance for the General Fund (Free Cash) was $1,337,458. This represents an increase of $127,074.

At the close of the fiscal year there was a balance of $783,750 restricted for capital projects. This represents an increase of $352,960 from the previous fiscal year.

Below is a graph comparing revenues and expenditures for fiscal years 2013 versus 2014.
Note that 2014 reflects significant capital project expenditures, including the construction at the South Acton Treatment Plant.



Capital Assets

The Water Supply District of Acton's investment in capital assets as of June 30, 2014 amounts to $32,398,810 (net of accumulated depreciation). This investment includes land, buildings and improvements, pumping stations and tanks, infrastructure and improvements, machinery and equipment.

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 $890,584.

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

Fiscal Year 2015

The District has appropriated a balanced annual budget for FY 2015 of $4,092,172.

WATER SUPPLY DISTRICT OF ACTON				Page 4
Statement of Net Assets				
June 30, 2014		*Capital*	*Invested in*	
	Unrestricted	*Projects*	*Capital*	
	Fund	*Fund*	*Assets*	*Total*
ASSETS				
Current Assets				
Cash and Cash Equivalents	$2,268,637			$2,268,637
Due to Capital Projects Fund	(783,747)	$783,747		0
Due from Grace Fund		3		3
Accounts Receivable	151,068			151,068
Unbilled Accounts Receivable	912,000			912,000
Total Current Assets	2,547,958	783,750	0	3,331,708
Non Current Assets				
Capital Assets				
Land			$1,566,515	1,566,515
Projects in Progress			7,678,700	7,678,700
Depreciable Infrastructure, net			21,652,778	21,652,778
Depreciable Buildings & Equipment, net			1,500,818	1,500,818
Total Non Current Assets	0	0	32,398,810	32,398,810
Total Assets	$2,547,958	$783,750	$32,398,810	$35,730,518
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Short Term Debt			$5,659,498	$5,659,498
Current Portion Long Term Debt			515,000	515,000
Accrued Interest Payable	$83,000			83,000
Total Current Liabilities	83,000	0	6,174,498	6,257,498
Long Term Liabilities				
Long Term Debt, net of current portion			6,220,705	6,220,705
Accrued Compensated Absences	157,000			157,000
Other Post Employment Benefits	864,832			864,832
Total Liabilities	1,104,832	0	12,395,203	13,500,035
NET ASSETS				
Unappropriated Net Assets	1,295,694	$783,750	20,003,607	22,083,051
Appropriated for Maintenance & Operations	147,432			147,432
Total Net Assets	1,443,126	783,750	20,003,607	22,230,483
Total Liabilities and Net Assets	$2,547,958	$783,750	$32,398,810	$35,730,518

WATER SUPPLY DISTRICT OF ACTON				Page 5
Statement of Activities		*Capital*	*Invested in*	
For the Year Ended June 30, 2014	*Unrestricted*	*Projects*	*Capital*	
	Fund	*Fund*	*Assets*	*Total*
REVENUES				
Water Rates and Services	$4,257,026			$4,257,026
Interest Income	8,902	$171		9,073
Total Revenues	4,265,928	171	0	4,266,099
EXPENDITURES				
Salaries and Wages	1,088,004			1,088,004
Other Post Employment Benefits Expense	102,696			102,696
Interest and Fees	217,776		($11,189)	206,587
Depreciation Expense			890,584	890,584
Lights, Power and Fuel	305,682			305,682
Health and Life Insurance	290,976			290,976
Maintenance & Operations	329,095			329,095
Middlesex Retirement	124,835			124,835
Insurance	45,561			45,561
Auto Maintenance and Fuel	49,994			49,994
Chemicals	58,397			58,397
Legal	46,314			46,314
Laboratory Analysis	39,911			39,911
Education	11,188			11,188
Audit	15,000			15,000
Computer Maintenance	13,614			13,614
Information Reports	8,093			8,093
Office Supplies	6,136			6,136
Paving	40,906			40,906
Engineering	37,110			37,110
Postage	17,280			17,280
Telephone	12,305			12,305
D.E.P. Withdrawal and Fees	5,085			5,085
Petty Cash	700			700
Hydrants	9,991			9,991
Bank/Management Fees	500			500
Backflow/Cross Connection	900			900
Total Expenditures	2,878,047	0	879,395	3,757,442
REVENUES OVER (UNDER) EXPENDITURES	1,387,881	171	(879,395)	508,657
Bond Proceeds Received		7,394,499	(7,394,499)	0
Capital Project Expenditures		(7,871,710)	7,871,710	0
Transfers from Unrestricted to Capital Projects	(830,000)	$830,000		0
Bond Premium Received	111,894		(111,894)	0
Bonds Repaid	(300,000)		300,000	0
Expenditures Capitalized	(136,738)		136,738	0
Net Change in Fund Balances	233,037	352,960	(77,340)	508,657
Net Assets - Beginning of Year	1,210,089	430,790	20,080,947	21,721,826
Net Assets - End of Year	$1,443,126	$783,750	$20,003,607	$22,230,483

WATER SUPPLY DISTRICT OF ACTON			Page 6
Governmental Funds - Balance Sheet			
June 30, 2014			
		Capital	*Total*
	General	*Projects*	*Governmental*
	Fund	*Fund*	*Funds*
ASSETS			
Cash and Cash Equivalents	$2,268,637		$2,268,637
Accounts Receivable	151,068		151,068
Less Reserve for Uncollectible	(151,068)		(151,068)
Due to Capital Projects Fund	(783,747)	$783,747	0
Due from Grace Fund		3	3
Total Assets	$1,484,890	$783,750	$2,268,640
LIABILITIES AND FUND BALANCES			
LIABILITIES			
FUND BALANCES			
Unappropriated Fund Balance	$1,337,458	$783,750	$2,121,208
Appropriated for Maintenance & Operations	147,432		147,432
Total Fund Balances	1,484,890	783,750	2,268,640
Total Liabilities and Fund Balances	$1,484,890	$783,750	$2,268,640

WATER SUPPLY DISTRICT OF ACTON			Page 7
Governmental Funds - Statement of Revenues, Expenditures and			
Changes in Fund Balances		*Capital*	*Total*
For the Year Ended June 30, 2014	*General*	*Projects*	*Governmental*
	Fund	*Fund*	*Funds*
REVENUES			
Water Rates and Services	$4,203,198		$4,203,198
Interest Income	8,902	$171	9,073
Bond Premium Received	111,894		111,894
Total Revenues	4,323,994	171	4,324,165
EXPENDITURES			
Salaries and Wages	1,056,004		1,056,004
Other Post Employment Benefits Expense	150,000		150,000
Capital Project Expenditures		7,871,710	7,871,710
Bonds Interest and Fees	535,800		535,800
Lights, Power and Fuel	305,682		305,682
Health and Life Insurance	290,976		290,976
Maintenance & Operations	329,095		329,095
Middlesex Retirement	124,835		124,835
Meters	98,713		98,713
Insurance	45,561		45,561
Chemicals	58,397		58,397
Auto Maintenance and Fuel	49,994		49,994
Legal	46,314		46,314
Laboratory Analysis	39,911		39,911
Information Reports	8,093		8,093
Office Supplies	6,136		6,136
Audit	15,000		15,000
Education	11,188		11,188
Paving	40,906		40,906
Engineering	37,110		37,110
Postage	17,280		17,280
Telephone	12,305		12,305
D.E.P. Withdrawal and Fees	5,085		5,085
Computer Maintenance	13,614		13,614
Bank/Management Fees	500		500
Hydrants	9,991		9,991
Backflow/Cross Connection	900		900
Petty Cash	700		700
Total Expenditures	3,310,088	7,871,710	11,181,798
REVENUES OVER (UNDER) EXPENDITURES	1,013,905	(7,871,539)	(6,857,634)
OTHER FINANCING SOURCES (USES)			
Transfers from General Fund to Capital Projects	(830,000)	830,000	0
Bond Proceeds Received		7,394,499	7,394,499
Net Change in Fund Balances	183,905	352,960	536,865
Fund Balances - Beginning of Year	1,300,985	430,790	1,731,775
Fund Balances - End of Year	$1,484,890	$783,750	$2,268,640

WATER SUPPLY DISTRICT OF ACTON	
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances	
to the Statement of Net Assets - June 30, 2014	
Total Governmental Fund Balances	$2,268,640
Capital assets used in governmental activities are not financial resources,	32,398,810
and therefore are not reported in the funds.	
The Statement of Net Assets accrues accounts receivable on billed and unbilled water pumped,	
whereas in the governernmental funds, revenue is not reported until collected.	
Accounts Receivable	151,068
Unbilled Accounts Receivable	912,000
The Statement of Activities includes accounts payable and debts,	
whereas in governmental funds these are not reported until paid.	
Accrued Compensated Absences	(157,000)
Accrued Interest Payable	(83,000)
Short Term Debt	(5,659,498)
Current Portion Long Term Debt	(515,000)
Long Term Debt	(6,220,705)
Other Post Employment Benefits Liability	(864,832)
Net Assets of Governmental Activities	$22,230,483
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, 2014	
Net Change in Fund Balances - Total Governmental Funds	$536,865
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	7,871,710
Expenditures Capitalized	136,738
Short Term Bond Proceeds	(7,394,499)
Bond Principal Repayment	300,000
Depreciation Expense	(890,584)
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	53,828
Other Post Employment Benefits (OPEB) Expense	47,304
Bond Premium Amortization	11,189
Interest Expense Accrual	(20,000)
Compensated Absences Reported as Salaries and Wages	(32,000)
Bond Premium received is reported as revenue in the governmental funds, but is	
amortized over the life of the bond on the Statement of Activities	(111,894)
Change in Net Assets of Governmental Activities	$508,657

WATER SUPPLY DISTRICT OF ACTON			
General Fund - Statement of Revenues, Expenditures			
and Changes in Fund Balance - Budget and Actual			
For the Year Ended June 30, 2014			*Variance*
			Positive
	Budget	*Actual*	*(Negative)*
REVENUES			
Water Rates and Services	$3,844,525	$4,203,198	$358,673
Interest Income	0	8,902	8,902
Bond Premium Received	0	111,894	111,894
Total Revenues	3,844,525	4,323,994	479,469
EXPENDITURES			
Salaries and Wages	1,183,715	1,056,004	127,711
Bonds, Interest and Fees	816,050	535,800	280,250
Lights, Power and Fuel	350,000	305,682	44,318
Health and Life Insurance	302,500	290,976	11,524
Maintenance & Operations	210,000	329,095	(119,095)
Middlesex Retirement	127,260	124,835	2,425
Insurance	60,000	45,561	14,439
Chemicals	65,000	58,397	6,603
Reserve Fund	100,000	0	100,000
Laboratory Analysis	40,000	39,911	89
Auto Maintenance and Fuel	50,000	49,994	6
Information Reports	20,000	8,093	11,907
Telephone	15,000	12,305	2,695
Legal	50,000	46,314	3,686
Computer Maintenance	15,000	13,614	1,386
Office Supplies	18,000	6,136	11,864
Education	18,000	11,188	6,812
Audit	15,000	15,000	0
Paving	50,000	40,906	9,094
Engineering	50,000	37,110	12,890
Hydrants	10,000	9,991	9
Postage	18,000	17,280	720
D.E.P. Withdrawal and Fees	6,500	5,085	1,415
Bank Fees	500	500	0
Cross Connection	1,000	900	100
Accounting	2,000	0	2,000
Meters	100,000	98,713	1,287
Petty Cash	1,000	700	300
OPEB Expense	150,000	150,000	0
Total Expenditures	3,844,525	3,310,088	534,437
REVENUES OVER (UNDER) EXPENDITURES	0	1,013,905	1,013,905
OTHER FINANCING SOURCES (USES)			
Transfers from General to Capital Projects Fund		(830,000)	(830,000)
Net Change in Fund Balance	0	183,905	183,905
Budgetary Fund Balance - Beginning of Year	1,300,985	1,300,985	0
Budgetary Fund Balance - End of Year	$1,300,985	$1,484,890	$183,905

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

WATER SUPPLY DISTRICT OF ACTON		Page 10
Statement of Fiduciary Net Assets		
June 30, 2014		
	WR GRACE	*OPEB*
	FUND	*FUND*
ASSETS		
Current Assets		
Cash and Cash Equivalents	$92,322	
Investments	2,351,127	$399,936
Total Assets	$2,443,448	$399,936
LIABILITIES		
NET ASSETS		
Unappropriated Net Assets	$2,430,702	$399,936
Net Assets Appropriated for Capital Projects	3	
Net Assets Appropriated for Other Activities	12,743	
Total Net Assets	2,443,448	399,936
Total Liabilities and Net Assets	$2,443,448	$399,936
WATER SUPPLY DISTRICT OF ACTON		
Statement of Changes in Fiduciary Net Assets		
For the Year Ended June 30, 2014		
ADDITIONS		
Addition to Fund		$150,000
Dividend and Interest Income	$66,579	9,676
Net Increase Fair Value of Investments	74,943	24,811
Total Additions	141,522	184,487
DEDUCTIONS		
Investment Management Fees	10,994	1,758
Total Deductions	10,994	1,758
ADDITIONS OVER DEDUCTIONS	130,528	182,729
Net Assets - Beginning of Year	2,312,920	217,207
Net Assets - End of Year	$2,443,448	$399,936

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2014

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. 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 Basic Financial Statements - June 30, 2014

NOTE 1 – GENERAL STATEMENT AND SIGNIFICANT ACCOUNTING POLICIES - continued

District Funds - The District categorizes its funds into governmental and fiduciary funds.

The following *governmental funds* are reported:

Unrestricted Fund - This primary operating fund is used for financial resources other than those that are required to be accounted for in another fund.

Restricted Capital Projects Fund - This fund reports the activity for the appropriations and spending for construction projects or for acquiring assets.

Invested in Capital Assets Fund: - This fund reports the historical cost of fixed assets less accumulated depreciation.

The following *fiduciary funds* are reported:

WR Grace Fund - This fund is to maintain the purity of the District's water sources upon approval of District meeting. This fund was established with proceeds from the WR Grace lawsuit settlement.

Other Post Employment Benefits (OPEB) Fund – This fund is an irrevocable trust fund established by the District in 2011 pursuant to Massachusetts General Laws. The fund can only be used to fund the District's OPEB obligations.

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 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 and cash equivalents.

NOTE 3 - INVESTMENTS

The District's 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 investments are carried at fair value. As of June 30, 2014, the District had the following investments:

Description	WR Grace Fiduciary Fund	OPEB Trust Fiduciary Fund
Cash and equivalents	$114,779	$3,495
Bonds (corporate & government)	1,268,672	170,895
Equities	967,676	225,546
Total	$2,351,127	$399,936

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2014

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

As of June 30, 2014, the District had the following amounts of interfund receivables/payables:

Due to Capital Projects Fund from:	
General Fund	$783,747
Grace Fiduciary Fund	3
Total	$783,750

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 calculated to pay current normal cost as well as unfunded actuarially calculated liabilities from prior years. 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, 2014 were $124,835.

The District has a voluntary Section 457 retirement plan. Employees may make pre-tax contributions up to the amount allowed by the Internal Revenue Code, and the District matches contributions up to 3% of the participating employee's base salary. District match contributions for the year ended June 30, 2014 were $22,496, which are included in Salaries and Wages.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2014 consisted of the following:

Description	Balance 6/30/13	Additions	Disposals	Balance 6/30/14
Land	$843,725	$722,790		$1,566,515
Infrastructure	36,745,735	212,330		36,958,065
Buildings	1,084,969	30,944		1,115,913
Vehicles	519,723			519,723
Machinery & Equipment	2,386,965	173,713		2,560,678
Capital Assets Under Construction	810,029	6,868,671		7,678,700
Total at Historical Cost	42,391,146	8,008,448		50,399,594
Less Accumulated Depreciation				
Infrastructure	14,572,582	732,705		15,305,287
Buildings	378,495	27,120		405,618
Vehicles	317,995	46,176		364,171
Machinery & Equipment	1,841,127	84,580		1,925,707
Total Accumulated Depreciation	17,110,199	890,581		18,000,783
Capital Assets, Net	$25,280,947			$32,398,810

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2014

NOTE 7 - SHORT TERM DEBT

The District has utilized short term debt to finance construction of the South Acton Water Treatment Plant. The $400,000 borrowed in 2013 was rolled into the new long term debt of $2,135,000 borrowed in 2014. The new short term debt of $5,659,498 was borrowed in 2014 and is expected to be rolled into new long term debt (total $13.5 million) in fiscal year 2015. The following is a summary of the changes in short term debt for the year ended June 30, 2014:

Description	Interest Rate	Due Date	Balance 6/30/13	Issued/ (Retired)	Balance 6/30/14
South Acton Water Treatment Plant	0.55%	7/26/13	$400,0000	($400,000)	$0
South Acton Water Treatment Plant	.11%	On demand	$0	$5,659,498	$5,659,498

NOTE 8 - LONG TERM DEBT

The District has a general obligation bond to finance the construction of the North Acton Water Treatment Plant at the Kennedy Marshall well site. The interest rates on the bond vary from 2.0% to 4.3% according to annual maturities, with an average rate of 3.64%. The District also has a general obligation bond to finance water main replacement. The interest rates on the bond vary from 2% to 3%. The following is a summary of the changes in long term debt for the year ended June 30, 2014:

Description	Issue Date	Due Date	Balance 6/30/13	Issued/ (Retired)	Balance 6/30/14
North Acton Water Treatment Plant	2/15/09	2/15/29	$4,800,000	($300,000)	$4,500,000
South Acton Water Treatment Plant/Water Mains/Land	8/15/13	8/15/23	$0	$2,135,000	$2,135,000

The annual debt service requirements for long term debt outstanding at June 30, 2014 are as follows:

Fiscal Years	Principal	Interest	Total
2015	$515,000	$219,050	$734,050
2016	515,000	206,175	721,175
2017	515,000	192,225	707,225
2018	515,000	177,525	692,525
2019	515,000	162,075	677,075
2020-2024	2,560,000	565,200	3,125,200
2025-2029	1,500,000	190,200	1,690,200
Total	$6,635,000	$1,712,450	$8,347,450

Principal of $300,000 plus interest and fees of $235,800 for a total of $535,800, is reported as Bonds, Interest and Fees on the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended June 30, 2014. This is the total paid on both Short and Long Term Debt.

Interest and Fees of $217,776 less amortization of bond premium of $11,189 for a total of $206,587 is reported on the Statement of Activities to reflect the accrual basis calculation of interest incurred during the year ended June 30, 2014, regardless of when the actual interest payments were made by the District. This is the total incurred on both Short and Long Term Debt.

NOTE 8 - LONG TERM DEBT - continued

As of June 30, 2014 the District has the following debt authorized and unissued:

Purpose	Date of Vote	Authorized	Issued	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	200,000	400,000
Treatment Plant	June 25, 2012	12,000,000	5,659,498	6,340,502
Treatment Plant	September 24, 2013	1,500,000	0	1,500,000
Total		$18,500,000	$9,519,498	$8,980,502

NOTE 9 – COMMITMENTS & CONTINGENCIES

The District has commitments for the construction of capital projects, including the construction of the South Acton Water Treatment Plant (SAWTP), which it expects to complete in fiscal year 2015. The District has financing of $13,500,000 committed from the Commonwealth of Massachusetts Clean Water Trust.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The District implemented Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45) starting in the fiscal year ended June 30, 2010. As allowed by GASB 45, the District has established the net Other Post Employment Benefits (OPEB) obligation at zero at the beginning of that transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis. Fiscal year ended June 30, 2014 is the fourth year of implementation.

During fiscal year 2011 the District established the “Other Post Employment Benefits Trust Fund” and began funding its liability through this irrevocable trust. The OPEB Trust Fund is reported as a Fiduciary Fund in the accompanying financial statements.

Plan Description - The District administers a defined benefit healthcare plan through the Massachusetts Interlocal Insurance Association (MIIA) that provides lifetime healthcare insurance for eligible retirees and their spouses. Massachusetts General Laws Chapter 32B assigns authority for the District to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy - Contribution requirements are set by the Board of Water Commissioners and approved with a Special Meeting vote by the water takers of the District. The required contribution is based on a pay-as-you-go financing requirement. The District contributes 90 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 10 percent of their premium costs.

Annual OPEB Expense and Net OPEB Obligation - The District’s annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

WATER SUPPLY DISTRICT OF ACTON
Notes to the Basic Financial Statements - June 30, 2014

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS - continued

The components of the District's annual obligation are summarized in the following table:

Normal cost	$69,143
Amortization of unfunded actuarially accrued liability	151,607
Annual OPEB expense	220,750
Contributions made	(268,054)
Decrease in net OPEB obligation	(47,304)
Net OPEB obligation- beginning of year	912,136
Net OPEB obligation- end of year	$864,832

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for years ended June 30, 2010 through 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	$212,479	126%	$864,832
6/30/2013	$212,479	53%	$912,136
6/30/2012	$408,085	42%	$809,440
6/30/2011	$408,085	42%	$572,960
6/30/2010	$408,085	18%	$336,480

Funded Status and Funding Process- The funded status of the Plan as of the most recent actuarial valuation dates is:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UUAL as a % of Covered Payroll
7/1/2012	$200,501	$2,403,921	$2,203,420	8.3%	$1,020,000	216%
7/1/2009	0	$3,515,024	$3,515,024	0%	1,057,000	333%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarially accrued liabilities of benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and plan members to that point. Since the District has fewer than 100 employees, it has elected to use the alternative measurement method to calculate the actuarial valuations of its OPEB. The actuarial method and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarially accrued liabilities and value of assets, consistent with the long term perspective of the calculations.

In the July 1, 2012 actuarial valuation, actuarial liabilities were determined using the projected unit credit method. The actuarial assumptions included a 7.0% investment return assumption, which is based on the expected yield on the assets of the District.

WATER SUPPLY DISTRICT OF ACTON
Required Supplemental Information and Notes to Required Supplemental Information - June 30, 2014

OTHER POST-EMPLOYMENT BENEFITS SCHEDULES

SCHEDULE OF FUNDING PROGRESS		
Actuarial valuation date	7/1/2012	7/1/2009
Actuarial value of assets	$200,501	0
Actuarial accrued liability (AAL)	$2,403,901	$3,515,024
Unfunded AAL (UAAL)	$2,203,420	$3,515,024
Funded ratio	8.3%	0%
Covered payroll	$1,020,000	$1,057,000
UAAL as a percentage of covered payroll	216%	333%
ACTUARIAL METHODS AND ASSUMPTIONS		
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar	Level Dollar
Remaining amortization period	27 years	30 years
Investment rate of return	7%	3%
Health care trend rate	7.9% down to 5% longer than 10 years	9.5% or 10%, graded to 5% longer than 10 years
Dental care trend rate	4.1% for all years	5.5% for all years

EMPLOYER CONTRIBUTIONS	6/30/14	6/30/13	6/30/12	6/30/11	6/30/10
Annual required contributions (ARC)	$212,479	$212,479	$408,085	$408,085	$408,085
Actual contributions made	$268,054	$118,054	$171,605	$171,605	$71,605
Percentage contributed	126%	53%	42%	42%	18%
PLAN MEMBERSHIP					
Current retirees, beneficiaries, and dependents	12	12	10	9	8
Current active members	15	13	13	14	15
Total	27	25	23	23	23

NOTE A - OTHER POST-EMPLOYMENT BENEFITS

The District administers a defined benefit healthcare plan that provides lifetime healthcare insurance for eligible retirees and their spouses through the Massachusetts Interlocal Insurance Association (MIIA) health insurance plan, which covers both active and retired members. The District currently finances its other postemployment benefits (OPEB) on combined pre-funded and a pay-as- you-go basis whereby the funding schedule is designed to pay the normal cost currently and amortize the unfunded liability over a period of 30 years. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarially accrued liability) as of the most recent valuation was 8.3%. In accordance with Governmental Accounting Standards, the District has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets. The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported. The Schedule of Employer Contributions presents multiyear trend information of contributions relating to the plan. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WATER SUPPLY DISTRICT OF ACTON

Supplemental Schedule of Governmental Fund Balance - Capital Projects Activity

For the Year Ended June 30, 2014

	BEGINNING BALANCE 06/30/13	*TRANSFERS FROM GEN'L FUND*	*INCOME EARNED*	*FUNDS BORROWED*	*PAYMENTS MADE*	*ENDING BALANCE 06/30/14*
General Fund Appropriations						
Carbon Replacement 13	$6,482				$6,482	$0
Carbon Vessel Repair 14	0	$80,000			500	79,500
Clean Rehab Wells 14	0	50,000			47,263	2,737
Dump Truck 14	0	90,000				90,000
Eminent Domain Main Street	19,519					19,519
Hayward /Stow St Mains 14		390,000			34,686	355,314
Hayward Road Mains 14				$1,000,000	1,000,000	0
Indian Village Mains	188					188
Land Purchase AS&G 14				735,000	722,790	12,210
Media Replacement 14	0	60,000			41,518	18,482
NAWTP Platform 13	50,000				11,700	38,300
Replace Old Mains 13	29,449				29,371	78
Replace Old Mains 14		35,000			14,017	20,983
SAWTP Construction 14				4,400,946	4,400,946	0
SAWTP Contingency 14						0
SAWTP Engineering 13	136,461				136,461	0
SAWTP Engineering 14				402,096	402,096	0
SAWTP Mains 14				793,499	793,499	0
SAWTP Police Details 14				62,958	62,958	0
Storage Tank Upgrades 13	55,000					55,000
Vehicle 13	4,212					4,212
Water Main Emergency 10	83				83	0
Water Main Emergency 12	11,956				11,956	0
Water Main Emergency 13	50,000				34,141	15,859
Water Main Emergency 14	0	50,000				50,000
Water Meters 14	0	75,000			75,000	0
Subtotal	*363,350*	*830,000*	*0*	*7,394,499*	*7,825,467*	*762,382*
MTBE Fund Appropriations						
Clean and Rehab Wells 13	7,378				7,378	0
Flagg Hill Tank Repairs 12	20,608		$171			20,779
Marshall Well Replacement	54					54
Master Plan Update 12	5,888				5,888	0
NAWTP Engineering 12	19,776				19,244	532
S Acton Pilot 10	13,733				13,733	0
Subtotal	*67,437*	*0*	*171*	*0*	*46,243*	*21,365*
Grace Fund Appropriations						
S Acton Pilot 12	3					3
Subtotal	*3*	*0*	*0*	*0*	*0*	*3*
Total	$430,790	$830,000	$171	$7,394,499	$7,871,710	$783,750

Minutes of March 19, 2014 Annual Meeting

Held at the Acton Memorial Library
486 Main Street
Acton, Massachusetts

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, 2014, 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 $50,000 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 $50,000 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 $35,000 for the purpose of replacing old water mains, renewing old water services, replacing old fire hydrants or to take any other action relative thereto.

Unanimously approved.

Article 8. To see if the District will vote to transfer from Surplus Revenue the sum of $150,000 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 $60,000 for the replacement of the granular activated carbon media at the Clapp and 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 $90,000 to purchase a new dump truck and to authorize the Commissioners to trade or sell the District's 2000 F-550 dump truck or to take any other action relative thereto.

Unanimously approved.

Article 11. To see if the District will vote to transfer from Surplus Revenue the sum of $75,000 for the purpose of purchasing water meters to replace existing outdated technology on District service lines, 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 $80,000 for the repair, or replacement of a Carbon vessel at the Clapp/Whitcomb pump station, or to take any other action relative thereto.

Unanimously approved.

Article 13. 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, equipment and materials on land owned by the District, located off of Main Street and Wyndcliff Drive in Acton. The written lease shall include the most favorable annual rental charge received in response to a request for proposal to be issued by the District 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 to be in compliance with all the terms and conditions of a special permit to be issued by the Town of Acton or to take any other action relative thereto.

Not approved.

Mr. O'Brien moved to adjourn the meeting at 8:30 p.m., Mr. Stuntz seconded the motion and all were in favor. The motion to adjourn was unanimously approved.

Water District Organization

ELECTED OFFICIALS

Commissioners	Leonard A. Phillips, Chairman	Term Expires 2015
	Ronald R. Parenti	Term Expires 2016
	Stephen C. Stuntz	Term Expires 2017
District Clerk	Charles E. Orcutt III	Term Expires 2017
District Moderator	Richard P. O'Brien	Term Expires 2015

APPOINTED OFFICIALS

Finance Committee	William Guthlein, Chairman	Term Expires 2015
	David A. Butler	Term Expires 2016
	Charles Bradley	Term Expires 2017
District Manager	Christopher D. Allen	Contract Expires 2017
Treasurer/Collector	Mary J. Bates	Term Expires 2015
District Counsel	Mary Bassett	Term Expires 2015
District Assistant Clerk	Helen F. Argento	Term Expires 2015
Commissioners Secretary	Lynn Protasowicki	Term Expires 2015
Auditor	Maureen Waters Mara, CPA, MST	Term Expires 2015

Water Land Management Advisory Committee	Paul Malchodi
	Charles Olmstead
	Barry Rosen
	John Cipar

Water District Staff	Matthew L. Mostoller	Environmental Manager
	Julia Hawkins	A/P Bookkeeper/Secretary
	Elizabeth Secinaro	A/R Bookkeeper/Secretary
	Robert Murch	MIS Coordinator
	Stephen G. Peterson, Jr.	Superintendent
	Charles Rouleau	General Foreman
	Andrew Peterson	Assistant Foreman
	James Trippier	Operator/Distribution
	Robert P. Dionne, Jr.	Operator/Distribution
	Keith Kupfer	Operator/Distribution
	Matthew Walsh	Operator/Distribution
	Lucas Peterson	Operator/Distribution
	Josh Richard	Operator/Distribution

THIS PAGE LEFT BLANK INTENTIONALLY

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

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.