

# *MERRIMACK VILLAGE DISTRICT 2014 ANNUAL REPORT*



*Providing Safe, Clean Drinking Water to the Merrimack Community*

*Annual Meeting \* Merrimack, N.H. \* March 31, 2015  
at 7pm \* Café at Middle School – Madeline Bennett Drive*



# MERRIMACK VILLAGE DISTRICT ANNUAL REPORT 2014



## Table of Contents

Merrimack Village District Officers and Staff	(page 2)
<b>Merrimack Village District Mission Statement</b>	<b>(page 3)</b>
Merrimack Village District Board of Commissioners & Elected Officers Update	(page 4)
<b>About the Merrimack Village District, Total Gallons Pumped, Merrimack Village District Website Info.</b>	<b>(Page 5)</b>
2013 Consumer Confidence Report	(page 6 - 7)
<b>Groundwater Basics</b>	<b>(page8)</b>
General Information about the MVD	(page 9)
<b>Easy Steps to Protect Your Drinking Water</b>	<b>(page 10)</b>
2013/2014 Treasurer's Report	(page 11)
<b>Merrimack Village District Warrant Articles</b>	<b>(page 12 - 13)</b>
2015- 2016 Proposed Budget	(page 14 -19)
<b>2004-2014 Actual Total Revenue &amp; 2015/2016 Projected Revenue</b>	<b>(page 20)</b>
Principal and Interest Balances & Long Term Debt	(page 21 & 22)
<b>2005 - 2014 Rates and Incomes Per Services</b>	<b>(page 23)</b>
Capital Improvement Projects 2015-2016	(page 24-28)
<b>Financial Statements and Auditor's Report as of June 30, 2014</b>	<b>(page 29-54)</b>
Budget Form for Village Districts (NH Dept. of Revenue) MS 36	(page 55-59)
<b>Information on how to Pay "On-Line" or Call "Toll Free"</b>	<b>(page 60)</b>
Dates to Remember	(page 61)

# MVD OFFICERS AND STAFF

## District Officers

		<u>Term Expires</u>
Chairman	Tom Nutting	2015
Vice Chairman	Lon Woods	2015
Commissioner	Anthony Pellegrino	2017
Personnel Liaison	George (Chip) Keller	2016
Commissioner	Joe Comer	2017
Moderator	Lynn Christensen	2016
Clerk	Jill Lavoie	2017
Treasurer	Martin Carrier	2015
Secretary	Rita Carlton	Not elected

## MVD Staff

Superintendent	Ron Miner
Finance and Human Resources	Natalie Couture
Customer Service & Billing	Carol Sutton
Admin. Manager/Water Quality Support	Jill Lavoie
Distribution Foreman	David Fredrickson
Assistant Distribution Foreman	Stephen Chase
Field Tech – Distribution	Ed Lambert
	Dan St. Pierre
	Heinz Smith
	Brian Hieken
Treatment Supervisor	Kevin Gurney
Assistant Treatment Supervisor	Jason Dubois
Field Tech – Treatment	James Colburn

## Contact Information:

Telephone: (603) 424-9241 Fax: (603) 424-0563

Address: 2 Greens Pond Road Merrimack, NH 03054

## Payment Information:

Pay on line by visiting the MVD website at [www.mvdwater.org](http://www.mvdwater.org). You can pay with credit cards, pin less debit cards, or E-Checks. We also offer a toll free number found on the website to pay by phone.

A transaction fee will be charged by the service provider for the above payment methods.

Website: [www.mvdwater.org](http://www.mvdwater.org)





## MERRIMACK VILLAGE DISTRICT

### MISSION STATEMENT

“The Merrimack Village District will develop, operate and maintain our water system in a cost effective manner.”

Revised and adopted by the Board of Commissioners September 16, 2013

## **Merrimack Village District Board of Commissioners & Elected Officers Update**

The Merrimack Village District Board of Commissioners consists of five members that meet monthly and/or at the call of the Chair. The Commissioners and elected officers are elected by the registered voters at the Annual Meeting in March and strive to provide high quality water and service to the rate payers of the District.

**Chairman - Tom Nutting** has been a commissioner with the MVD since March 2003. He also served as Vice Chairman and Liaison to the Budget Committee. Tom is a former owner of an electrical business in Merrimack.

**Vice Chairman - Lon Woods** had previously served on the MVD Board of Commissioners for many years and was elected again in 2006. Lon has also served the Town of Merrimack in many capacities as a member of the Charter Study Commission, School Board and Budget Committee.

**Commissioner - George (Chip) Keller** was elected to the Board in 2007 as a commissioner. He is a registered land surveyor with The State of New Hampshire and is associated with Fieldstone Land Consultants, PLLC. and is the former owner of George F. Keller Inc. Civil Engineers.

**Personnel Liaison - Tony Pellegrino** was elected to the Board in March 2005. He had previously been a commissioner for more than twelve years. He also served the Town of Merrimack as a selectman and member of the Conservation Commission.

**Commissioner - Joe Comer** was elected to the Board in 2011 as a commissioner. He worked for over 36 years with the Town of Merrimack in the Fire Department and Building Department.

**Moderator - Lynn Christensen**

**Clerk - Jill Lavoie**

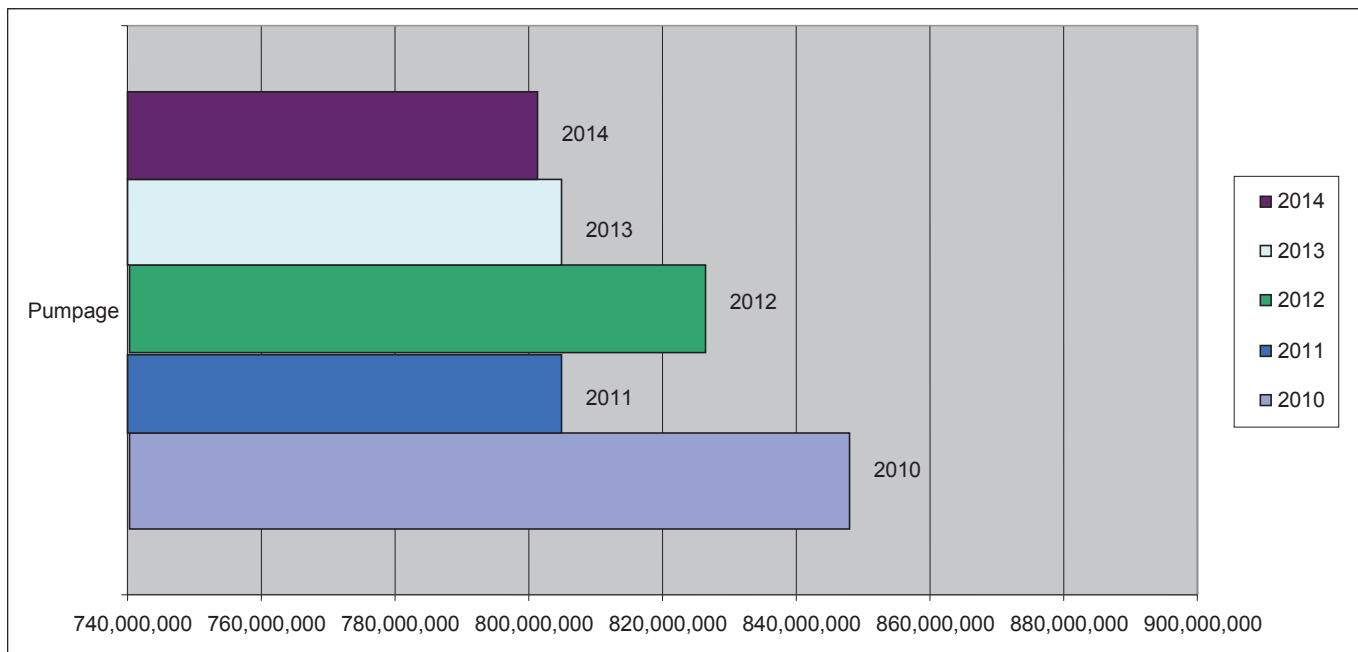
**Treasurer - Martin Carrier**

**Secretary - Rita Pointon** (not an elected position)

*Chairman Tom Nutting would like to thank the Board of Commissioners  
and the entire MVD staff for their support and dedication*

## *About the Merrimack Village District*

The Merrimack Village District (MVD) is a Municipal Corporation established and regulated in accordance with the provisions of RSA 52 as amended. Under this law, the District has similar powers like a town and is governed by a five-member Board of Commissioners, Clerk, Treasurer and Moderator. The registered voters of Merrimack elect the officers at the District's Annual Meeting. The MVD provides water to over 87% of the town by servicing and maintaining 925,762 feet of pipe, 905 fire hydrants, 7 wells (6 active, 1 inactive), 3 water storage tanks and 2 booster stations. The MVD manages over 7,500 customer accounts, which include residents and businesses. As the town continues to grow, new water mains and fire hydrants continue to be added to the MVD system. In 2014, the gallons of water pumped for the year was 801,546,900. The following chart shows the total gallons pumped per year for the past 5 years.



The MVD website ( [www.mvdwater.org](http://www.mvdwater.org)) continues to be updated and provides a vast amount of information for all Merrimack residents. Several items you can find on the website are: Schedule of Rates, Approved Budget, Flushing program, Public/Legal notices and the 2015 Calendar.

# Consumer Confidence Report

## Merrimack Village District

2014

### What is a Consumer Confidence Report?

The Consumer Confidence Report (CCR) details the quality of your drinking water, where it comes from, and where you can get more information. This annual report documents all detected primary and secondary drinking water parameters, and compares them to their respective standards known as Maximum Contaminant Levels (MCLs).

NOW IT COMES WITH A LIST OF INGREDIENTS.



### The sources of drinking water

(both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

**Contaminants that may be present** in source water include:

**Microbial contaminants**, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

**Inorganic contaminants**, such as salts and metals, which can be naturally occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.

**Pesticides and herbicides**, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.

**Organic chemical contaminants**, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems.

**Radioactive contaminants**, which can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. The US Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

### What is the source of my drinking water?

The District is supplied by 6 "ground water" wells known locally as Wells 2, 3, 4, 5, 7 and 8. Water is treated as required at the pumping stations prior to being released into the District network. The source assessment done in 2002 indicates that our wells are rated overall in LOW vulnerability to the susceptible criteria used. Four (4) wells were rated low, the other two (2) wells were rated in the medium range. The 4 page completed report can be obtained from the NHDES website at:

<http://des.nh.gov/organization/divisions/water/dwqwb/dwspp/reports/documents/merrimack.pdf>

**Why are contaminants in my water?** Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

**Do I need to take special precautions?** Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at 1-800-426-4791.

### Source Water Assessment Summary

DES prepared drinking water source assessment reports for all public water systems between 2000 and 2003 in an effort to assess the vulnerability of each of the state's public water supply sources. Included in the report is a map of each source water protection area, a list of potential and known contamination sources, and a summary of available protection options. The results of the assessment, prepared for Well 7 in 2000 and the remainder of the wells in 2002 are noted below.

Well #	Susceptibility Rating		
	High	Medium	Low
1	1	2	9
2	1	2	9
3	1	2	9
4	3	4	5
5	4	3	5
7	1	2	9
8	1	2	9

Note: This information is over 10 years old and includes information that was current at the time the report was completed. Therefore, some of the ratings might be different if updated to reflect current information. At the present time, DES has no plans to update this data.

The complete Assessment Report is available for review at MVD, 2 Greens Pond Road, Merrimack, NH. For more information, call Ronald Miner, Jr, Superintendent at (603) 424-9241 x107 or visit the DES Drinking Water Source Assessment website at

<http://des.nh.gov/organization/divisions/water/dwqwb/dwspp/dwsap.htm>.

### How can I get involved?

For more information about your drinking water, please call Jill Lavoie, Water Quality Testing at (603) 424-9241 x103 (email [jill.lavoie@mvdwater.org](mailto:jill.lavoie@mvdwater.org)) or Superintendent Ronald Miner, Jr. at (603) 424-9241 x107 (email [ron.miner@mvdwater.org](mailto:ron.miner@mvdwater.org)).

The MVD Board of Commissioners meets the 3<sup>rd</sup> Monday of each month except holidays. You may submit questions in writing to the MVD by sending them to 2 Greens Pond Road, Merrimack, NH 03054.

**Violations** None.

### Definitions

**Ambient Groundwater Quality Standard or AGQS:** The maximum concentration levels for contaminants in groundwater that are established under RSA 485-C, the Groundwater Protection Act.

**Maximum Contaminant Level or MCL:** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

**Maximum Contaminant Level Goal or MCLG:** The level of a contaminant in drinking water below which there is

no known or expected risk to health. MCLGs allow for a margin of safety.

**Maximum Residual Disinfectant Level** or **MRDL**: The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

**Maximum Residual Disinfectant Level Goal** or **MRDLG**: The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

**Treatment Technique** or **TT**: A required process intended to reduce the level of a contaminant in drinking water.

**Turbidity**: A measure of the cloudiness of the water. It is monitored by surface water systems because it is a good indicator of water quality and thus helps measure the effectiveness of the treatment process. High turbidity can hinder the effectiveness of disinfectants.

BDL: Below Detection Limit  
 mg/L: milligrams per Liter  
 NA: Not Applicable  
 ND: Not Detectable at testing limits  
 NTU: Nephelometric Turbidity Unit  
 pCi/L: picoCurie per Liter  
 ppb: parts per billion  
 ppm: parts per million  
 RAA: Running Annual Average  
 TTHM: Total Trihalomethanes  
 UCMR: Unregulated Contaminant Monitoring Rule  
 ug/L: micrograms per Liter

ter from your tap for at least 30 seconds before using water for drinking or cooking. Do not use hot water for drinking and cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://water.epa.gov/drink/info/lead/index.cfm>

**Radon**: Radon is a radioactive gas that you can't see, taste or smell. It can move up through the ground and into a home through cracks and holes in the foundation. Radon can also get into indoor air when released from tap water from showering, washing dishes, and other household activities. It is a known human carcinogen. Breathing radon can lead to lung cancer. Drinking water containing radon may cause an increased risk of stomach cancer.

**Drinking Water Contaminants:**

**Lead**: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. This water system is responsible for high quality drinking water, but can not control the variety of materials used in your plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing cold wa-

**Abbreviations**

Substances required for EPA testing	Highest Level Allowed (MCL)	Average Level Detected	Likely Source of Substance	Substances not required for EPA testing	Highest Level Allowed (MCL)	Average Level Detected	Likely Source of Substance
Lead (Pb)	.015 ppm	<.01 ppm	Corrosion of household plumbing systems	pH	6.4 – 10.00 units	5.97 units	Not a substance: indicator of level of acidity
Copper (Cu)	1.3 ppm	<.007 ppm	Corrosion of household plumbing systems	Radon (Rn)	4000 pCi/L	1285 pCi/L	Natural decomposition of granite rock
Nitrate	10 ppm	.85 ppm	Excessive use of lawn fertilizers	Chloride	250 ppm	148 ppm	Road salt
Nitrite	1 ppm	<.1 ppm	Excessive use of lawn fertilizers	Sodium (Na)	250 ppm	80 ppm	Mixture of naturally occurring salt deposits; most likely road salt
Arsenic (As)	.010 mg/l	<.005 mg/l	Naturally occurring				
Flouride*	4 ppm	<.1 ppm	Erosion of natural deposits, sometimes added to water supply but not in Merrimack				

Merrimack Village District

2 Greens Pond Road, Merrimack, NH 03054

(603) 424-9241 [www.mvdwater.org](http://www.mvdwater.org)



# *GROUNDWATER BASICS*

## What is groundwater?

Many people think of groundwater as underground lakes or rivers. Groundwater, however, is simply water that is stored beneath the earth's surface within the spaces between rocks and sand or between fractures in bedrock.

When enough water beneath the surface is present in a useable quantity, we call this an aquifer. Compared to the water in rivers and streams, groundwater moves very, very slowly.

For more information about groundwater, visit the [National Groundwater Foundation](#)

## Where does groundwater come from?

Groundwater, like all water on earth, comes from precipitation-rain and snow-which percolates through the soil until it reaches the zone of saturation. At this point, the water moves toward sites of groundwater discharge, such as lakes, local springs and oceans.

## Groundwater Guardian Community Since 1999

For the 14th year in a row, Merrimack has been awarded official Groundwater Guardian status from the National Groundwater Foundation in Lincoln, Nebraska. This program recognizes communities who are dedicated and committed to local groundwater protection to ensure a safe water supply for the future of the community. Merrimack is the only town in New Hampshire awarded this status.

## What is the source of your water?

100% of Merrimack water comes from groundwater. Groundwater is precipitation that has soaked through the ground's surface and is stored where there are open spaces between rocks and soil. This water is pumped from wells located in various parts of Merrimack and Hollis. Water from each well is treated on-site at each pumping station and distributed through a network of water mains to homes, business and schools.

## Where to go for more information?

Merrimack Village District \* [www.mvdwater.org](http://www.mvdwater.org) \* 603-424-9241

NH Department of Environmental Services \* [www.des.state.nh.us](http://www.des.state.nh.us) \* 603-271-3503

US Environmental Protection Agency, Region 1 \* [www.epa.gov/region1](http://www.epa.gov/region1)

\*888-372-7341

EPA Safe Drinking Water Hotline \* 800-426-2791

US Center for Disease Control (CDC) \* [www.cdc.gov](http://www.cdc.gov) \* 800-311-3435



## **GENERAL INFORMATION**

Many people naturally assume our water comes from nearby rivers or lakes. Merrimack, however, is unique in that 100% of our drinking water comes from groundwater.

Our water distribution system begins with six ground water wells located in various parts of Merrimack and Hollis. Your water is pumped from one of these wells, treated on-site then pumped to one of three water tanks in town. From here, it is distributed through a network of over 175.5 miles of water mains to homes, businesses and schools.

### **Is there fluoride added to my water?**

The Merrimack Village District Water Works does NOT add fluoride to the water.

### **New Customer?**

New customers pay a one time Transfer Fee of \$40.00. You will see this fee on your first water bill. Please call with any questions.

### **What is the odd/even water restriction?**

The water restriction is a tool to help manage our distribution system. Withdrawing water from the aquifer in a controlled manner allows us to protect against seasonal fluctuations. The odd/even restriction limits the days on which outside watering is allowed, based on whether your street address is an odd or even number and the date is an odd or even number.

### **How do I hook into MVD water?**

Once water is established in your area, please come to the District office at 2 Greens Pond Road and/or the MVD website to complete an entrance application. It will be the resident's responsibility to continue service from the district line located at the edge of their property to the home. A meter horn will be furnished by the District, but installation is the responsibility of the homeowner. District personnel will install a water meter and a small black box that will enable our field technicians to read your water meter from outside your home.

### **Why is my water sometimes brown?**

Brown water is often caused by a flushing of pipes in the distribution system: a water main break, or fire hydrant use. These harmless minerals, iron and manganese occur naturally in the water supply and are responsible for the brownish coloring of the water. The discolored water should disappear within a few hours.

### **Billing and Payments**

Bills are sent on a quarterly basis to the property owner and include three components: actual water usage, a meter charge, and a fire hydrant charge. The hydrant fee is used to repair and maintain all hydrants and applies to any home within 600 feet of a hydrant whether or not you are an MVD customer.

Payments may be made by mail, online, and by phone. Information is located on our website at [www.mvdwater.org](http://www.mvdwater.org). We also except payments at our office located at 2 Greens Pond Road, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (cash & checks only).

## EASY STEPS TO PROTECT YOUR DRINKING WATER

Without realizing it, you could be contaminating your own drinking water. Unfortunately, contaminated groundwater is very difficult and expensive to clean-up. Below are some ways to protect your drinking water.

- ✓ Keep pollutants away from boat marinas and waterways
- ✓ Recycle used antifreeze
- ✓ Homeowners can protect groundwater by properly sealing abandoned wells
- ✓ Install a Backflow Protection Device for commercial properties
- ✓ Do not overuse household chemicals
- ✓ Limit the use of lawn fertilizers, and be sure to use only phosphorus-free lawn fertilizers
- ✓ Check your underground fuel storage tank (USTs) frequently for leaks
- ✓ Reduce paved areas
- ✓ Inspect your septic system every year
- ✓ Recycle used oil
- ✓ Reduce or eliminate pesticide application
- ✓ Report any spills or illegal dumping in designated drinking water protection areas
- ✓ Reduce the amount of trash you create
- ✓ Take advantage of recycling programs to reduce the solid waste
- ✓ Don't dump into storm drains



# MERRIMACK VILLAGE DISTRICT

Cash and investments on hand, July 1, 2013	\$ 2,102,349
Receipts:	
Water sales and assessments	2,356,629
Protection charges	647,365
Sprinkler system charges	118,166
Earnings on investments	19,441
Service and sales revenue	91,775
Developer fees	18,750
Fines revenue	23,931
Other revenue	71,519
Proceeds of other long term obligations	<u>287,280</u>
Total receipts	<u>\$3,634,856</u>
Total amount available for the fiscal year	\$5,737,205
Less: Net transfers to Trustees of Trust Funds	\$33,728
Less: District obligations paid	\$2,623,343
Less: Purchase of capital assets	<u>\$330,497</u>
Cash and investments on hand, June 30, 2014	<u>\$ 2,749,637</u>

Respectfully submitted,

Martin P. Carrier  
District Treasurer

# MERRIMACK VILLAGE DISTRICT

## Warrant

To the inhabitants of the Merrimack Village District in the Town of Merrimack, New Hampshire qualified to vote in District affairs:

You are hereby notified to meet in the Cafeteria of the Merrimack Middle School- Madeline Bennett Drive in said District on the 31<sup>st</sup> day of March 2015 at 7:00 PM to act upon the following:

**ARTICLE 1:** To choose one (1) Treasurer for a three-year (3) term of office. (Written ballot vote required)

**ARTICLE 2:** To choose two (2) Commissioners for a three-year (3) term of office. (Written ballot vote required)

**ARTICLE 3:** Shall the Merrimack Village District, acting pursuant to RSA 33:3-a(II), vote to use the unexpended \$749,393.04 proceeds (and related) premium of the \$811,400 bond that it sold to the New Hampshire Municipal Bond Bank on December 16, 2010 (the "Bond"), for the purpose of developing a new production well, this purpose being a change from the Bond's original purpose (rehabilitating Well # 6 and making improvements to Wells #7 and #8), which is no longer feasible? (2/3 ballot vote required; polls must remain open for at least one hour).

Recommended by the Board of Commissioners (4-0-0)  
Reviewed and approved by the Department of Revenue Administration

**ARTICLE 4:** To see if the Village District will vote to raise and appropriate the sum of \$3,061,581 for general municipal operations. This article does not include appropriations contained in special or individual articles addressed separately. (Majority vote required.)

Recommended by the Board of Commissioners (4-0-0)  
Reviewed and approved by the Department of Revenue Administration

**ARTICLE 5:** Shall the Merrimack Village District vote to establish a contingency fund by raising and appropriating the amount of \$20,000 to meet the cost of unanticipated expenses that may arise during the fiscal year 2015-2016? This fund shall not exceed one percent (1%) of the amount appropriated exclusive of capital expenditures and amortization of debt by such village district during the proceeding year. This is in accordance with RSA 52:4-a, which requires a detailed report of all expenditures to be made in the annual report. (Majority vote required.)

Recommended by the Board of Commissioners (4-0-0)  
Reviewed and approved by the Department of Revenue Administration

**ARTICLE 6:** Shall the Merrimack Village District vote to raise and appropriate a sum of \$18,750 under provisions of RSA 35:1, I and II to add to the District's "System Development Capital Reserve" for the future system expansion and improvement of the existing system. This sum to come from the fiscal year 2013-2014 surplus fund balance; these are the system development charges collected during the 2012-2013 budget year. (Majority vote required.)

Recommended by the Board of Commissioners (4-0-0)  
Reviewed and approved by the Department of Revenue Administration


**ARTICLE 7:** Shall the Merrimack Village District vote to raise and appropriate a sum of up to three hundred thousand dollars (\$300,000) to add to the District's capital reserve fund under provisions of RSA 35:1, I and II for Equipment and Facilities associated with existing storage, transmission and production of water? This sum to come from the fiscal year 2013-2014 (year ending June 30, 2014) surplus fund balances. (Majority vote required.)


Recommended by the Board of Commissioners (4-0-0)  
Reviewed and approved by the Department of Revenue Administration

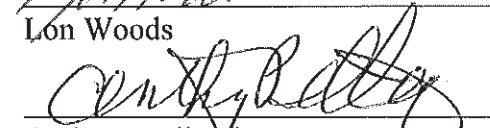
**ARTICLE 8:** Shall the Merrimack Village District vote to raise and appropriate a sum of two hundred fifty thousand (\$250,000) for the purchase of an easement for a future production well site. Said funds to come from the Land Acquisition Capital Reserve Account. (Majority vote required.)

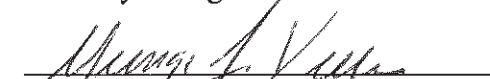
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Reviewed and approved by the Department of Revenue Administration

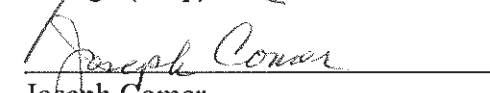
A true copy of WARRANT – attest Board of Commissioners this date of 26<sup>th</sup>, 2015.

  
\_\_\_\_\_  
Thomas Nutting

  
\_\_\_\_\_  
Lon Woods

  
\_\_\_\_\_  
Anthony Pellegrino

  
\_\_\_\_\_  
George (Chip) Keller

  
\_\_\_\_\_  
Joseph Comer

**Merrimack Village District  
2015/2016 Budget**

<b>Acct #</b>	<b>Description</b>	<b>Actual 2011-2012</b>	<b>Actual 2012-2013</b>	<b>Actual 2013-2014</b>	<b>Approved 2014-2015</b>	<b>Staff Request 2015-2016</b>	<b>BOC Recommended 2015-2016</b>	<b>Annual Meeting 2015-2016</b>	<b>Support Data Page #</b>
<b>50010</b>	<b>Officers Salaries</b>	9,424	9,385	9,615	9,895	9,995	9,995		7&8A
<b>50100</b>	<b>Administrative Salaries</b>	235,856	245,143	257,088	269,630	278,336	278,336		7&8A
<b>50200</b>	<b>Field Staff</b>	476,696	508,889	516,066	556,287	573,014	573,014		8&8A
<b>50300</b>	<b>Unemployment Compensation</b>	6,801	5,783	2,839	5,000	3,000	3,000		7&8
<b>50350</b>	<b>Employee Wellness Program</b>	415	462	195	2,000	2,000	2,000		8
<b>50400</b>	<b>Social Security/ Medicare</b>	55,330	58,392	60,303	64,000	65,300	65,300		7&8
<b>50450</b>	<b>Retirement</b>	63,479	60,851	70,195	88,951	91,900	91,900		7&8
<b>50500</b>	<b>Health Insurance</b>	210,030	219,401	246,203	252,000	250,472	250,472		7&8
<b>50525</b>	<b>Dental Insurance</b>	18,802	19,479	19,347	20,600	21,000	21,000		7&8
<b>50550</b>	<b>Life/Short &amp; Long Term Disability Insurance</b>	6,114	5,611	5,882	6,200	6,500	6,500		7&8
<b>50600</b>	<b>Workers Compensation</b>	7,071	3,040	1,687	8,700	10,000	10,000		7&8



**Merrimack Village District  
2015/2016 Budget**

<b>Acct #</b>	<b>Description</b>	<b>Actual 2011-2012</b>	<b>Actual 2012-2013</b>	<b>Actual 2013-2014</b>	<b>Approved 2014-2015</b>	<i>Staff Request 2015-2016</i>	<b>BOC Recommended 2015-2016</b>	<b>Annual Meeting 2015-2016</b>	<b>Support Data Page #</b>
<b>60000</b>	<b>Electricity</b>	189,605	245,502	222,502	257,825	<b>265,570</b>	<b>265,570</b>		9
<b>60100</b>	<b>Telephone / Cable</b>	14,433	12,795	14,189	17,232	<b>19,000</b>	<b>19,000</b>		9
<b>60200</b>	<b>Uniforms</b>	3,693	2,274	3,835	4,390	<b>4,390</b>	<b>4,390</b>		9
<b>60225</b>	<b>Education/Seminars</b>	1,736	1,623	1,952	2,455	<b>2,455</b>	<b>2,455</b>		9
<b>60250</b>	<b>Testing / Licensing</b>	909	2,076	1,918	1,900	<b>1,850</b>	<b>1,850</b>		9
<b>60300</b>	<b>Water Purchase</b>	2,477	2,142	2,289	5,500	<b>5,500</b>	<b>5,500</b>		9
<b>60400</b>	<b>Heating Fuel LPG/Propane</b>	8,353	7,724	13,321	10,300	<b>10,600</b>	<b>10,600</b>		9
<b>60450</b>	<b>Gasoline</b>	27,380	24,490	29,825	28,100	<b>27,442</b>	<b>27,442</b>		9
<b>60460</b>	<b>Diesel Fuel</b>	1,648	2,065	2,433	3,500	<b>3,500</b>	<b>3,500</b>		9
<b>60500</b>	<b>Motor Vehicle Maintenance</b>	16,087	12,780	14,501	22,800	<b>16,800</b>	<b>16,800</b>		10
<b>60600</b>	<b>Chemicals</b>	84,483	104,812	100,166	73,508	<b>107,297</b>	<b>107,297</b>		11
<b>60700</b>	<b>Safety Supplies/Equipment</b>	2,804	3,814	3,856	3,700	<b>3,600</b>	<b>3,600</b>		11
<b>60800</b>	<b>Lease</b>	9,543	10,754	7,535	11,800	<b>10,000</b>	<b>10,000</b>		11
<b>60850</b>	<b>Property Taxes</b>	4,107	4,170	4,913	7,000	<b>6,000</b>	<b>6,000</b>		11

**Merrimack Village District  
2015/2016 Budget**

Acct #	Description	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Approved 2014-2015	Staff Request 2015-2016	BOC Recommended 2015-2016	Annual Meeting 2015-2016	Support Data Page #
70000	Tools	2,019	6,648	7,625	7,700	6,200	6,200		11
70010	Office Equipment	1,827	1,592	366	3,500	28,500	28,500		11
70020	Rentals	2,010	20	760	600	600	600		11
70030	Town Sewer Rent / Septic Pump	1,897	2,297	2,683	2,626	2,700	2,700		12
70050	Repairs & Maintenance- Backflows	90	311	387	1,000	1,000	1,000		12
70100	Repairs & Maintenance- Communications Equipment	1,371	1,095	2,616	4,400	1,500	1,500		12
70150	Repair & Maintenance Corrosion Control	2,771	2,225	14,847	10,970	10,970	10,970		12
70200	Main Lines & Entrances - Enhancements	3,095	6,200	2,512	16,000	15,000	15,000		12
70250	Repairs & Maintenance - Entrances	4,551	2,292	2,419	16,500	11,000	11,000		13
70300	Repairs & Maintenance - Hydrants	6,329	3,001	4,561	15,551	15,000	15,000		13
70400	Repairs & Maintenance - Main Lines	3,391	17,041	14,746	32,770	33,775	33,775		14
70450	Repairs & Maintenance - Meters	1,412	6,411	31,459	49,800	32,000	32,000		14

**Merrimack Village District  
2015/2016 Budget**

Acct #	Description	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Approved 2014-2015	Staff Request 2015-2016	BOC Recommended 2015-2016	Annual Meeting 2015-2016	Support Data Page #
70500	Repairs & Maintenance- Monitoring Wells/Sampling	16,619	10,431	19,676	28,607	18,300	18,300		14
70525	Repairs & Maintenance - Office Equipment	16,149	17,111	11,669	18,500	17,000	17,000		15
70550	Repair & Maintenance Pump Station	19,245	14,238	17,966	42,700	43,200	43,200		15
70600	Repairs & Maintenance - Structures	11,503	27,211	10,814	22,540	14,400	14,400		15
70650	Repairs & Maintenance - Tanks	4,230	3,060	0	68,790	5,000	5,000		16
70700	Repairs & Maintenance - Tools & Equipment	514	2,039	99	2,700	2,500	2,500		16
70750	Repairs & Maintenance - Watershed	0	0	128	1,500	1,500	1,500		16
80000	Office Supplies	9,669	11,656	13,603	15,600	14,500	14,500		17
80100	Postage	14,230	17,206	17,551	17,500	18,500	18,500		17
80125	Shipping / Freight / Fuel Charge	1,582	2,110	886	1,550	1,500	1,500		17

**Merrimack Village District  
2015/2016 Budget**

Acct #	Description	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Approved 2014-2015	Staff Request 2015-2016	BOC Recommended 2015-2016	Annual Meeting 2015-2016	Support Data Page #
80200	Dues/Subscriptions	2,005	1,597	1,747	2,200	2,500	2,500		17
80300	Meeting Expense	1,246	1,005	2,169	1,500	1,500	1,500		17
80350	Travel Expense	1,368	1,467	1,945	1,600	2,000	2,000		18
80400	Advertising & Public Information	2,015	1,718	2,659	2,500	2,800	2,800		18
81400	Public Education	0	701	0	500	500	500		18
81600	Land Improvement	0	243	0	4,000	2,000	2,000		18
81700	Insurance General	22,864	23,696	24,770	27,247	27,000	27,000		18
81800	Outside Services	22,910	14,790	23,327	33,250	30,000	30,000		19
81900	Engineering	20,456	106,590	53,133	17,000	42,000	42,000		19
81901	Inspections / Plan Reviews	159	3,103	0	1,000	1,000	1,000		19
81950	Professional Fees	12,475	13,839	14,405	20,000	23,000	23,000		19
80150	Fees Misc.	6,040	6,079	6,276	6,300	6,400	6,400		17

**Merrimack Village District  
2015/2016 Budget**

Acct #	Description	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Approved 2014-2015	Staff Request 2015-2016	BOC Recommended 2015-2016	Annual Meeting 2015-2016	Support Data Page #
90000	Capital Budget Expense	23,647	0	69,935	74,000	177,800	68,000		20
90050	Capital Reserve Fund	200,000	200,000	0	200,000	200,000	200,000		20
90100	Bad Debts	0	0	0	1,000	500	500		20
90200	Debt Service Principal	456,400	455,000	517,472	455,000	365,000	365,000		21&22
	Debt Service Capital Lease Principal	149,335	158,073	0	0	0	0		21&22
90300	Debt Service Interest	211,747	189,373	184,719	209,374	154,215	154,215		21&22
	Debt Service Capital Lease Interest	18,361	9,624	0	0	0	0		21&22
	SRF Loan Interest	0	0	0	0	43,000	43,000		
	Restricted Funds (Open P.O.)	20,709	0	0	0	0	0		
		<u>2,753,517</u>	<u>2,914,550</u>	<u>2,692,585</u>	<u>3,171,148</u>	<u>3,171,381</u>	<u>3,061,581</u>	<u>0</u>	
	Petitioned Warrant Articles								
	Special / Individual Warrant Articles	0	0	20,000	20,000	20,000	20,000	0	
		<u>2,753,517</u>	<u>2,914,550</u>	<u>2,712,585</u>	<u>3,191,148</u>	<u>3,191,381</u>	<u>3,081,581</u>	<u>0</u>	

**ACTUAL AND ESTIMATED REVENUE 2004/2016**

	<b>ACTUAL 2004/2005</b>	<b>ACTUAL 2005/2006</b>	<b>ACTUAL 2006/2007</b>	<b>ACTUAL 2007/2008</b>	<b>ACTUAL 2008/2009</b>	<b>ACTUAL 2009/2010</b>	<b>ACTUAL 2010/2011</b>	<b>ACTUAL 2011/2012</b>	<b>ACTUAL 2012/2013</b>	<b>ACTUAL 2013/2014</b>	<b>APPROVED ESTIMATED 2014/2015</b>	<b>STAFF PROJECTED 2015/2016</b>	<b>POC PROJECTED 2016/2016</b>
<b>DOMESTIC WATER SALES</b>	\$1,105,415	\$1,162,231	\$1,199,585	\$1,483,759	\$1,215,366	\$1,366,107	\$1,390,675	\$1,427,792	\$1,667,472	\$1,411,140	\$1,405,000	\$1,338,134	\$1,338,134
<b>MERCANTILE WATER SALES</b>	\$181,388	\$231,336	\$232,801	\$171,282	\$221,418	\$152,001	\$155,479	\$159,963	\$190,432	\$188,448	\$171,071	\$162,814	\$162,814
<b>INDUSTRIAL WATER SALES</b>	\$57,160	\$65,006	\$97,539	\$100,428	\$92,022	\$89,528	\$84,126	\$90,560	\$90,961	\$93,798	\$107,931	\$81,479	\$81,479
<b>METER CHARGES</b>	\$391,777	\$409,178	\$425,334	\$437,218	\$442,893	\$444,769	\$494,732	\$425,947	\$518,143	\$539,656	\$435,413	\$494,582	\$494,582
<b>FINES</b>	\$10,981	\$33,737	\$35,784	\$38,151	\$42,048	\$37,465	\$25,033	\$23,490	\$24,032	\$23,921	\$31,075	\$23,814	\$23,814
<b>TRANSFER FEE</b>	\$0	\$0	\$0	\$6,140	\$3,965	\$7,207	\$8,150	\$8,330	\$9,760	\$9,050	\$9,746	\$9,047	\$9,047
<b>HYDRANT CHARGES</b>	\$466,831	\$427,963	\$445,434	\$533,887	\$552,415	\$562,587	\$582,923	\$576,871	\$778,083	\$647,598	\$744,720	\$667,517	\$667,517
<b>SPRINKLER CHARGES</b>	\$76,560	\$57,851	\$75,938	\$94,119	\$97,116	\$99,012	\$102,696	\$109,200	\$121,940	\$118,166	\$100,695	\$116,435	\$116,435
<b>INTEREST</b>	\$14,530	\$53,143	\$55,010	\$41,525	\$11,156	\$2,147	\$1,592	\$727	\$514	\$431	\$950	\$557	\$557
<b>COMMUNICATION TOWER RENTAL</b>	\$0	\$30,899	\$28,795	\$35,021	\$35,602	\$35,761	\$36,170	\$35,251	\$36,238	\$39,986	\$36,411	\$37,158	\$37,158
<b>MISCELLANEOUS INCOME</b>	\$142,660	\$21,995	\$11,467	\$13,557	\$2,244	\$17,458	\$238,115	\$8,097	\$6,127	\$46,594	\$9,900	\$15,000	\$15,000
<b>SERVICE CHARGE MAINS</b>	\$4,854	\$1,950	\$0	\$0	\$3,872	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000
<b>SERVICE CHARGE HYDRANT HOOK-UPS</b>	\$1,549	\$4,376	\$7,863	\$11,417	\$4,360	\$7,812	\$1,386	\$324	\$1,419	\$1,688	\$2,300	\$1,900	\$1,900
<b>SERVICE CHARGE TURN ON/OFF WATER</b>	\$4,962	\$14,848	\$9,164	\$10,837	\$17,090	\$14,025	\$19,345	\$29,259	\$16,110	\$12,057	\$20,415	\$19,142	\$19,142
<b>MISCELLANEOUS SERVICE CHARGES</b>	\$17,042	\$25,604	\$15,327	\$15,308	\$12,383	\$5,882	\$33,488	\$19,192	\$11,337	\$6,532	\$21,050	\$12,353	\$12,353
<b>SERVICE CHARGE BACKFLOW TEST</b>	\$1,050	\$11,347	\$30,330	\$28,904	\$28,875	\$33,900	\$31,000	\$32,500	\$31,850	\$47,128	\$32,705	\$30,129	\$30,129
<b>SERVICE CHARGE ENTRANCES</b>	\$104,500	\$54,645	\$69,030	\$50,534	\$49,253	\$16,580	\$91,700	\$20,070	\$35,495	\$15,335	\$33,116	\$23,635	\$23,635
<b>MERCHANDISE SALES</b>	\$1,788	\$9,247	\$9,982	\$4,295	\$4,136	\$1,491	\$4,257	\$9,430	\$2,361	\$2,860	\$5,650	\$4,885	\$4,885
<b>SYSTEM DEVELOPMENT CHARGE</b>	\$0	\$0	\$0	\$0	\$31,377	\$33,767	\$0	\$163,888	\$33,727	\$0	\$0	\$20,000	\$20,000
<b>LEGAL FEE REIMBURSEMENTS</b>	\$0	\$0	\$723	\$0	\$910	\$1,109	\$780	\$795	\$720	\$360	\$1,000	\$1,000	\$1,000
<b>INSPECTION / PLAN REVIEWS</b>	\$0	\$0	\$0	\$0	\$0	\$70	\$0	\$0	\$1,603	\$0	\$1,000	\$1,000	\$1,000
<b>DW HWY INTERCONNECT</b>	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>OVERTIME ESTIMATE (REIMBURSABLE)</b>	\$0	\$0	\$683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>INCOME RECEIVED FROM STATE GRANTS</b>	\$0	\$0	\$29,378	\$3,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOWN OF MERRIMACK FLOWING</b>	\$0	\$9,711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	\$2,633,047	\$2,615,356	\$2,760,789	\$3,076,382	\$2,868,501	\$2,928,678	\$3,301,647	\$3,141,686	\$3,578,324	\$3,204,748	\$3,171,148	\$3,061,581	\$3,061,581
			\$44,899	\$47,842	\$31,145								
	<b>\$2,633,047</b>	<b>\$2,615,356</b>	<b>\$2,795,688</b>	<b>\$3,124,224</b>	<b>\$2,899,646</b>	<b>\$2,928,678</b>	<b>\$3,301,647</b>	<b>\$3,141,686</b>	<b>\$3,578,324</b>	<b>\$3,204,748</b>	<b>\$3,171,148</b>	<b>\$3,061,581</b>	<b>\$3,061,581</b>

TRUST FUND INCOME



**2014 - 2016 LONG TERM DEBT  
OUTSTANDING BALANCES  
PRINCIPAL & INTEREST BALANCES**

	<i>As of June 30, 2014</i>		<i>As of June 30, 2015</i>		<i>As of June 30, 2016</i>	
<b>BONDS/LEASE PAYABLES</b>	<b>PRINCIPAL BALANCE</b>	<b>INTEREST BALANCE</b>	<b>PRINCIPAL BALANCE</b>	<b>INTEREST BALANCE</b>	<b>PRINCIPAL BALANCE</b>	<b>INTEREST BALANCE</b>
BONDS						
30150	75,000	36,113	75,000	29,944	75,000	25,126
30715	65,000	9,945	0	0	0	0
30727	20,000	1,220	0	0	0	0
30731	105,000	5,471	105,000	5,471	0	0
30740	135,000	107,025	130,000	93,600	130,000	93,600
30735	55,000	29,600	55,000	25,200	55,000	24,100
<b>BOND TOTAL</b>	<b>\$455,000</b>	<b>\$189,374</b>	<b>\$365,000</b>	<b>\$154,215</b>	<b>\$260,000</b>	<b>\$142,826</b>
State of NH (DWSRF Fund)	0	20,000				
METER LEASE						
30751	\$95,990	\$1,832	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>	<b>\$550,990</b>	<b>\$211,206</b>	<b>\$365,000</b>	<b>\$154,215</b>	<b>\$260,000</b>	<b>\$142,826</b>

Account # 90200: Principal payments to pay on the bonds and lease indebtedness.

Account # 90300: Interest charges on bond/lease indebtedness.

# LONG

**30150** - \$1,500,000 original bond; issued 2003. Payable in annual principal installments of \$75,000 through August 2022. Interest payable semi-annually with a variable interest rate of 3.00% to 5.00%.

\*\*\* Bean Road Project

# TERM

**30740** - \$2,800,000 original bond; issued 2010. Payable in annual principal installments of \$135,000 - \$130,000 through August 2030. Interest payable semi-annually with a variable interest rate of 3% to 5%.

\*\*\* Continental Boulevard Project

# DEBT

**30735** - \$835,000 original bond; issued 2010. Payable in annual principal installments of \$55,000 - \$50,000 through January 2026. Interest payable semi-annually with a variable interest rate of 3% to 5%.

\*\*\* Rehabilitation of Well #6

**2005-2014 RATES/INCOMES PER SERVICES**

Annual Meter Charges	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
5/8"	43.84	43.84	46.00	43.84	46.00	50.00	54.00	54.00	54.00	54.00
1"	78.12	78.12	82.00	78.12	82.00	89.00	96.00	96.00	96.00	96.00
1 1/2"	121.00	121.00	127.00	121.00	127.00	137.00	148.00	148.00	148.00	148.00
2"	179.20	179.20	188.00	179.20	188.00	203.00	219.00	219.00	219.00	219.00
3"	270.48	270.48	284.00	270.48	284.00	307.00	332.00	332.00	332.00	332.00
4"	420.00	420.00	441.00	420.00	441.00	476.00	514.00	514.00	514.00	514.00
6"	785.64	785.64	824.00	785.64	824.00	902.00	961.00	961.00	961.00	961.00
8"	1,220.00	1,220.00	1,280.00	1,220.00	1,280.00	1,382.00	1,493.00	1,493.00	1,493.00	1,493.00
10"	1,720.00	1,720.00	1,805.00	1,720.00	1,805.00	1,949.00	2,105.00	2,105.00	2,105.00	2,105.00
12"	3,060.00	3,060.00	3,211.00	3,060.00	3,211.00	3,468.00	3,745.00	3,745.00	3,745.00	3,745.00

Annual Sprinkler Charges	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
2"	129.84	129.84	161.00	129.84	161.00	174.00	188.00	188.00	188.00	188.00
4"	259.84	259.84	322.00	259.84	322.00	348.00	376.00	376.00	376.00	376.00
6"	584.28	584.28	724.00	584.28	724.00	782.00	845.00	845.00	845.00	845.00
8"	1,038.72	1,038.72	1,288.00	1,038.72	1,288.00	1,391.00	1,502.00	1,502.00	1,502.00	1,502.00
10"	1,800.00	1,800.00	2,232.00	1,800.00	2,232.00	2,411.00	2,604.00	2,604.00	2,604.00	2,604.00
12"	2,337.12	2,337.12	2,898.00	2,337.12	2,898.00	3,130.00	3,380.00	3,380.00	3,380.00	3,380.00

Annual Hydrant Charges	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Domestic	45.00	45.00	56.00	45.00	56.00	60.00	65.00	65.00	65.00	65.00
Mercantile	100.00	100.00	112.00	100.00	112.00	121.00	131.00	131.00	131.00	131.00
Industrial	200.00	240.00	280.00	240.00	280.00	302.00	326.00	326.00	326.00	326.00

Water Charges cost per 100 cubic feet	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$1.35	\$1.55	\$1.65	\$1.55	\$1.65	\$1.80	\$1.95	\$1.95	\$1.95	\$1.95



**MERRIMACK VILLAGE DISTRICT**  
**SUMMARY OF PROJECTS**  
 (updated for Fiscal Year 2015-2016)

<u>PROJECT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>POSSIBLE SOURCE OF FUNDING</u>	<u>EXPLANATION</u>
Distribution System Improvements – CIP Planning Study –Phase II	2013-2014 (ongoing)	\$7,000	Capital Reserve/ Budget	This is Phase II of the project to review the entire distribution system and establish a long term plan to prioritize and fund recommended infrastructure repair or replacement.
Final Design and Construction for Iron and Manganese Treatment Facility	2013-2014 (ongoing)	\$4,300,000	SRF Funding pending Annual Meeting vote/completion 2014-2015	Based on UEI's report dated December 2010, a filtration treatment facility for iron and manganese at Wells #7 & #8 was found to be cost-effective and the most reliable to provide additional water supply with improved water quality. First payment due 1 year after project completion.
<b>TOTAL 2013-14</b>		<b>\$4,307,000</b>		

Land Purchase – site TBD	2014-2015 (ongoing)	400,000	Capital Reserve	To secure (investigate and purchase) potential future supply site.
Potential new well site development	2014-2015 (ongoing)	400,000	Capital Reserve	Investigation and development of potential new well site to increase supply. Possibly spread out over 3 years.
Sunset Drive, Dawn Ave and High Noon waterline extension as part of the Town sewer/drainage project	2014-2015	300,000	Capital Reserve	Awaiting Town bids for actual MVD portion
<b>TOTAL 2014-15</b>		<b>1,100,000</b>		



**MERRIMACK VILLAGE DISTRICT**  
**SUMMARY OF PROJECTS**  
 (updated for Fiscal Year 2015-2016)

**Projects on Hold**

Blending of Wells 6, 7 & 8	Indefinite Hold	835,000	Previously bonded in 2011 – not included in CIP total	If the Blending pilot from 2008-2009 is successful and in conjunction with the hydraulic improvements on Continental Blvd., the MVD may opt to blend Wells #6, #7 & #8 to improve the water quality of the three wells. (CWIP)
Increase production in Well #2	Indefinite Hold	300,000	Capital Reserve/ Budget or SRF	This includes cost to update permitted production volume at Well #2 from 1100 gpm to 1500 gpm and infrastructure improvements to increase capacity (pumps, motor, VFD, SCADA) <b>\$7,500 set aside in the budget for preliminary design.</b>
New MVD Office	Indefinite Hold	600,000	Capital Reserve /Budget	Cost to construct an office down at 30 Continental Blvd. where Distribution and Treatment are presently located.
		<b>1,735,000</b>		



**MERRIMACK VILLAGE DISTRICT**  
**SUMMARY OF PROJECTS**  
 (updated for Fiscal Year 2015-2016)

**FUTURE PROJECTS**

<b>Future “Distribution System Improvements” will be funded by budgeting \$700,000 per year beginning in 2015 (Per Underwood Engineers, Inc report dated November 2, 2012)</b>				
<u>PROJECT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>POSSIBLE SOURCE OF FUNDING</u>	<u>EXPLANATION</u>
<b>Future projects – (15 years)</b> Distribution System Improvements-replacement period 2020’s	<b>2028-2029</b>	8,250,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1950’s per UEI report dated 9/13/12
<b>Future projects – (20 years)</b> Well #6 Treatment Facility - includes electrical upgrades	<b>2033-2034</b>	2,600,000	Bond	Depending on future supply needs, the MVD may need to construct a Packed Tower Aeration treatment facility to further address the VOC’s and/or other treatment for sodium and chloride issues at Well #6 to bring this source back on line to its full capacity. <b>(Subject to the success of the blending project, water quality changes, and the need for increased production).</b>
New Well – north central location - Engineering & Construction Mitchell Woods		1,500,000	Bond/SRF	Estimated cost for engineering and construction for new well.
<b>Future projects – (25 years)</b> Distribution System Improvements-replacement period 2030’s	<b>2038-2039</b>	16,900,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1960’s per UEI report dated 9/13/12
<b>Future projects – (35 years)</b> Distribution System Improvements-replacement period 2040’s	<b>2048-2049</b>	44,100,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1970’s per UEI report dated 9/13/12
<b>Future projects – (45 years)</b> Distribution System Improvements-replacement period 2050’s	<b>2053-2054</b>	800,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1980’s per UEI report dated 9/13/12





**MERRIMACK VILLAGE DISTRICT**  
**SUMMARY OF PROJECTS**  
 (updated for Fiscal Year 2015-2016)

<b>Future projects – (55 years)</b> Distribution System Improvements-replacement period 2070's	<b>2063-2064</b>	3,350,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines per UEI report dated 9/13/12
<b>Future projects – (75 years)</b> Distribution System Improvements-replacement period 2080's	<b>2083-2084</b>	33,970,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1980's per UEI report dated 9/13/12
<b>Future projects – (85 years)</b> Distribution System Improvements-replacement period 2090's	<b>2093-2094</b>	18,920,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 1990's per UEI report dated 9/13/12
<b>Future projects – (95 years)</b> Distribution System Improvements-replacement period 2100's	<b>2103-2104</b>	16,000,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 2000's per UEI report dated 9/13/12
<b>Future projects – (105 years)</b> Distribution System Improvements-replacement period 2110's	<b>2113-2114</b>	6,780,000*	Capital Reserve/ Bond/SRF	Projected cost for repair/replacement of main lines installed in 2010's per UEI report dated 9/13/12
*Distribution System Improvements will be funded with approximately 50% from Capital Reserve and 50% from future debts or other funds and offsets. \$700,000 annually represents 50% of the identified needs above.				

**BASED ON PROGRESS OF THE VARIOUS PROJECTS AND WHAT NEEDS TO BE COMPLETED FROM ONE YEAR TO THE NEXT, SEVERAL PROJECTS MAY BE MOVED INTO SUBSEQUENT YEARS.**

All costs are internal estimates as of December 2012 and will need to be updated as necessary and as engineering estimates are received.

EGGI – Emery & Garrett Groundwater, Inc.
MVD – Merrimack Village District
VOC – Volatile Organic Compound
UEI – Underwood Engineers, Inc.
SRF – State Revolving (Loan) Fund
CWIP – Construction Work in Progress



**MERRIMACK VILLAGE DISTRICT**  
**SUMMARY OF PROJECTS**  
 (updated for Fiscal Year 2015-2016)

**COMPLETED PROJECTS**

<u>PROJECT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>POSSIBLE SOURCE OF FUNDING</u>	<u>EXPLANATION</u>
Installation of two (2) 16" sleeves and pipe in Turkey Hill bridge in conjunction with the Town of Merrimack's bridge replacement project of the Turkey Hill bridge. Work also includes 1,000 feet of water main on Turkey Hill Road. (This may be accomplished in 2010 in it's entirety depending on the Town's schedule)	2010-2011 <b>COMPLETE</b>	670,000	Capital Reserve	This project will remove a 12" and a 16" under river water line crossing in Turkey Hill Road bridge and provide for inserting two (2) 16" new lines suspended from the bridge. This will accommodate the planned 16" water line installation in Turkey Hill Road. This is the <b>first</b> recommended sequence of projects so the work can occur concurrently with the Town's project. (CWIP)
Hydraulic Improvements on Continental Boulevard – New 16" main from the end of the existing 16" main on Continental Boulevard via Camp Sargent and Amherst Roads to Turkey Hill Road (9,400').	2010-2011 <b>COMPLETE</b>	2,800,000	Bond	Per UEI "Distribution System Hydraulic Evaluation" the MVD has hydraulic limitations in several areas of town. Hydraulic improvements must be done to allow supplies in the south to flow through the distribution system unrestricted. This is the <b>second</b> recommended sequence of projects. (CWIP)
Installation of a 16" water main loop from an existing 16" main cross country to the 12" main on Route 3.	2010-2011 <b>COMPLETE</b>	\$2,000,000	Private	Merrimack Premium Outlets, LLC (Chelsea) will construct the necessary water line connection to service the property for domestic and fire flow including design and engineering.
Hydraulic Improvements – Amherst Road and Turkey Hill Road – New 16" main (7,900')	2010-2011 <b>COMPLETE</b>	1,500,000	Balance of \$2.8 million bond funds and Capital Reserve	Per UEI "Distribution System Hydraulic Evaluation" the MVD has hydraulic limitations in several areas of town. This is the <b>third</b> recommended sequence of projects. (CWIP)
Distribution System Improvements – CIP Planning Study –Phase I	2012-2013 <b>COMPLETE</b>	\$7,000	Budget	The purpose of this study was to perform a general review of the entire distribution system and establish a long term plan to prioritize and fund recommended infrastructure.

**MERRIMACK VILLAGE DISTRICT**  
**Financial Statements**  
**June 30, 2014 and 2013**  
**and**  
**Independent Auditor's Report**

**MERRIMACK VILLAGE DISTRICT  
FINANCIAL STATEMENTS  
June 30, 2014 and 2013**

**TABLE OF CONTENTS**

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	
MANAGEMENT'S DISCUSSION AND ANALYSIS	i-vii
<b>BASIC FINANCIAL STATEMENTS</b>	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position	2
Statements of Cash Flows	3
NOTES TO BASIC FINANCIAL STATEMENTS	4-12
<b>SUPPLEMENTARY INFORMATION</b>	
SCHEDULE:	
Schedules of Expenses and Encumbrances - Budget and Actual - Budgetary Basis	13

## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the  
Merrimack Village District  
Merrimack, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Merrimack Village District, Merrimack, New Hampshire, as of and for the years ended June 30, 2014 and 2013, 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 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 audits 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 from 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 respective financial position of the business-type activities of the Merrimack Village District, Merrimack, New Hampshire, as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years 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 on pages i–viii 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Merrimack Village District, Merrimack, New Hampshire's basic financial statements. The schedules of expenses and encumbrances – budget and actual – budgetary basis are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of expenses and encumbrances – budget and actual – budgetary basis are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the schedules of expenses and encumbrances – budget and actual – budgetary basis are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Vachon Cluckey & Company PC*

Manchester, New Hampshire  
November 13, 2014

# **MANAGEMENT’S DISCUSSION AND ANALYSIS** **FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

## **THE FINANCIAL STATEMENTS AND THE REPORTING ENTITY**

### **The Financial Statements**

The financial statements presented herein include all of the activities of the Merrimack Village District (“MVD”) using the integrated approach as prescribed by GASB Statement 34.

The financial statements present the financial picture of the MVD from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of MVD (including infrastructure) as well as all liabilities (including long-term debt).

The Merrimack Village District is an independent municipal water district as authorized by RSA 52 operating in the Town of Merrimack, New Hampshire. MVD is governed by a five (5) member Board of Water Commissioners, who are elected by the residents of Merrimack. MVD’s primary function is to provide a clean water supply and effective services for residential, commercial, and mercantile entities within the Town of Merrimack. The District is responsible for protecting, improving, maintaining and expanding the existing water distribution system.

## **REPORTING THE MVD AS A WHOLE**

### **The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the MVD as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of MVD using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies, except for the reporting of deferred outflows and deferred inflows. All of the current year’s revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the MVD’s net position and changes in them. Net position is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, one way to measure the MVD’s financial health, or financial position. Over time, increases or decreases in the MVD’s net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the MVD’s customer base and condition of the MVD infrastructure.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**MVD AS A WHOLE**

Net Position of the MVD for fiscal 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Current and other assets:		
Capital assets	\$ 15,757,064	\$ 15,970,871
Other assets	<u>7,197,282</u>	<u>6,518,457</u>
Total assets	<u>\$ 22,954,346</u>	<u>\$ 22,482,944</u>
Deferred outflows of resources	<u>                    </u>	<u>                    </u>
Current and other liabilities:		
Long-term debt outstanding-non current portion	\$ 3,694,284	\$ 3,758,716
Other liabilities	<u>635,422</u>	<u>798,446</u>
Total liabilities	<u>\$ 4,329,706</u>	<u>\$ 4,557,162</u>
Deferred inflows of resources	<u>                    </u>	<u>                    </u>
Net position:		
Net investment in capital assets	\$ 13,105,461	\$ 12,444,710
Unrestricted	<u>5,519,179</u>	<u>5,487,456</u>
Total net position	<u>\$ 18,624,640</u>	<u>\$ 17,932,166</u>

Change in net position for the fiscal years ended June 30, 2014 and 2013 were:

	<u>2014</u>	<u>2013</u>
Operating revenue	\$ 3,328,135	\$ 3,423,563
Operating expense	<u>2,556,478</u>	<u>2,582,387</u>
Net operating income	771,657	841,176
Non-operating revenue (expenses)	(111,313)	(184,156)
Capital contributions	<u>32,130</u>	<u>                    </u>
Change in net position	<u>\$ 692,474</u>	<u>\$ 657,020</u>



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## **MVD ACTIVITIES**

As shown in the Statement of Revenues, Expenses and Changes in Net Position, the revenue earned from users of the system was \$3,213,935 for the fiscal year ended June 30, 2014. For the fiscal year this represented a 3% decrease from June 30, 2013. Other revenues for the fiscal year ended June 30, 2014 totaled \$114,200.

### **Debt Administration**

Debt, considered a liability of district operations, decreased during the fiscal year ended June 30, 2014 by \$553,507 due primarily to normal debt service retirements.

MVD's outstanding general obligation debt at June 30, 2014 consisted of \$3,758,716 in bonds and \$287,280 in other long-term obligations. Additional information on the MVD's long-term debt obligation can be found in **Note #6** of the Notes to Financial Statements.

### **Cash Management**

Cash represents cash on hand and cash deposits maintained by the MVD. A portion of these funds are invested in the New Hampshire Deposit Investment Pool (NHDIP) established pursuant to RSA 388:2, to maximize returns and maintain timely availability to meet expenses and debt payment schedule.

### **Capital Assets**

The capital assets of MVD are those assets, which are used in the performance of MVD's functions including infrastructure assets. At June 30, 2014, net capital assets of MVD activities totaled \$15,757,064 See **Note #4** in the Notes to the Financial Statements for a summary of all capital assets.

# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## SIGNIFICANT ACCOMPLISHMENTS OF THE MVD FOR FISCAL YEAR 2013/2014

- The District worked with their engineers on various maintenance and upgrade projects that will continue to improve and provide a clean water supply and effective services to the consumers of the District. Some examples:
  - MVD Master Plan
  - Final design of iron and manganese treatment plant was completed and will be going out to bid in July of 2014
  - Continued our Implementation of the GIS/GPS System in conjunction with the NRPC
  - Asset Management Program / CIP
  - These studies have provided much needed information for the District in making decisions for the future
  
- The District continued Phase VII Exploration and Development of new well fields and the MVD has obtained their groundwater withdrawal permit from NHDES for New Well at Mitchell Woods.
  
- The District continued the Backflow Prevention Program. Extensive surveys and inspections of all industrial and commercial properties are conducted on an annual basis to determine the level of contaminants from facilities that can potentially enter into the water transmission system. The NH Department of Environmental Services approved the District's updated plans.
  
- Continued to work with and implement the District's "Schedule of Rates". This schedule of rates maintains the MVD consumption charges, fees, labor, and other charges up to date and reflects charges that are consistent with costs and creates a system of more equitable treatment of water customers and stabilizes the District's income.
  
- Continued efforts on reducing the sodium and chloride levels within the well head protection area.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

### SIGNIFICANT ACCOMPLISHMENTS OF THE MVD FOR FISCAL YEAR 2013/2014 (CONTINUED)

- The MVD continued the process of a seasonal unidirectional flushing program district wide. This is an effort in continuing to improve the quality of the drinking water.
- The MVD's Board of Commissioners adopted a System Development Charge (SDC) in August of 2008. This charge is applied to "new" customers & can be described as a "buy-in" fee to achieve an equal equity position with the existing customers. This one-time payment will cover their share of the value of the existing infrastructure.
- The MVD continued regular maintenance (painting/snow removal, raising, replacement) of fire hydrants as well as additions to the system.
- The MVD continues to be awarded official Groundwater Guardian Community status from the National Groundwater Foundation in Lincoln, Nebraska. MVD began with NGF in 1999 to current making this the 14th year. This program recognizes communities who are dedicated and committed to local groundwater protection that ensures a safe water supply for the future of their community.
- The Board of Commissioners continues to receive quarterly and annual Treasurers Report from the district's Treasurer and monthly financial reports from the MVD finance office.
- For convenience to the Merrimack Village District customer's, the MVD has payment option on-line. Visit [www.mvdwater.org](http://www.mvdwater.org) and pay your water bill ON-LINE with easy to follow instructions.
- The Board of Commissioners and Staff reinforced the importance of following the Odd/Even watering ban as one of the Districts conservation effort.

# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## SIGNIFICANT ACCOMPLISHMENTS OF THE MVD FOR FISCAL YEAR 2013/2014 (CONTINUED)

- The MVD website at [www.mvdwater.org](http://www.mvdwater.org) has been up and running since March 2001. This website is updated quarterly and includes but is not limited to the following information for Merrimack residents:
  - Listing of the current Board of Commissioners and MVD Staff
  - Current Board of Commissioners Meeting Agenda's
  - Mission Statement as approved by the Board of Commissioners
  - 2013 – 2014 Approved Budget
  - 2013 Consumer Confidence Report (CCR)
  - Merrimack Village District By-Laws
  - Charges for Services and Schedule of Rates
  - Calendar with all the significant dates
  - Flushing Notifications with detailed street listings
  - Entrance Applications for mainline extensions, water and fire service
  - Backflow Programs and other Projects
  - Q & A's
  - Press Release and/or Public Notice meetings
  - Notification and location of on going construction projects
  - 2012 Annual Report
  
- The MVD staff reviews plans for all construction projects in the Town of Merrimack. We work closely with Community Development and other town departments to insure water construction specifications are being met and each project is inspected prior to project acceptance and water service commencing.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The adopted budget of MVD for the fiscal year 2013/2014 was \$3,362,677 and is summarized as follows:

<i>Operations expense</i>	\$2,420,481
<i>Debt service Principal and Interest of general obligations</i>	\$742,196
<i>Total</i>	<u>\$3,162,677</u>
<i>Transfer to capital reserve funds</i>	\$200,000
<i>Total</i>	<u>\$3,362,677</u>

**ECONOMIC FACTORS, RATES AND 2014/2015 BUDGET**

In considering the MVD Projected Revenue for the fiscal year 2014/2015 the Board of Commissioners may determine a need to increase the water rates and/or or service charges for the fiscal year 2014/2015. Other key assumptions in our revenue forecast are:

- Projected increase or decrease in revenue due to customer base
- Charges for Services
- Continue efforts to assure all customers are properly metered and billed accurately
- Establish goals and objectives in conjunction with the 2014 - 2020 Capital Improvement Program to reflect improvements for the future years
- Continue to study the need for improvement to the infrastructure and the method of balancing rates for 2014/2015 and beyond to pay for these improvements
- Increase our efforts to examine ways and means to make sure rates are equitable, defensible and affordable
- Promote an understanding that the burden of paying for construction, operation and maintenance of our facilities falls mainly on the customers of our system realizing costs are rising rapidly

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**2014/2015 Budget**

*Major new items specifically addressed in the budget are:*

- New Ford 2015 3/4 Ton Truck \$29,000
- Security camera's for all MVD buildings & structures \$45,000

**The adopted budget of MVD for the fiscal year 2014/2015 was \$3,191,148 and is summarized as follows:**

<i>Operations expense</i>	<i>\$2,526,774</i>
<i>Debt service Principal and Interest of general obligations</i>	<i>\$664,374</i>
<i>Total</i>	<i><u>\$3,191,148</u></i>

***CONTACTING MVD'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, customers, regulator and creditors with a general overview of the Merrimack Village District finances and to show the MVD's accountability for the money it receives. If you have any question about this report or need additional information, contact the Merrimack Village District at 2 Greens Pond Road, Merrimack, NH 03054, phone (603) 424-9241 or e-mail at [www.mvdwater.org](http://www.mvdwater.org)

**MERRIMACK VILLAGE DISTRICT**  
**Statements of Net Position**  
June 30, 2014 and 2013

	ASSETS	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>			
Cash and equivalents		\$ 1,532,650	\$ 848,812
Restricted cash		749,393	786,062
Investments		467,594	467,475
Accounts receivable		435,113	444,535
Unbilled water charges		317,005	326,255
Due from other governments		3,604,690	3,544,877
Prepaid expenses		6,098	16,360
Inventories		65,461	84,081
TOTAL CURRENT ASSETS		<u>7,178,004</u>	<u>6,518,457</u>
<b>NONCURRENT ASSETS:</b>			
Due from other governments		19,278	
Capital assets:			
Non-depreciable capital assets		972,425	685,145
Depreciable capital assets, net		<u>14,784,639</u>	<u>15,285,726</u>
TOTAL NONCURRENT ASSETS		<u>15,776,342</u>	<u>15,970,871</u>
TOTAL ASSETS		<u>22,954,346</u>	<u>22,489,328</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable		104,344	35,450
Accrued expenses		51,664	80,616
Accrued payroll		111,907	111,943
Contractor advances		15,795	16,930
Current portion bonds payable		351,712	457,517
Current portion capital lease payable		-	95,990
TOTAL CURRENT LIABILITIES		<u>635,422</u>	<u>798,446</u>
<b>NON-CURRENT LIABILITIES:</b>			
Bonds payable		3,407,004	3,758,716
Other long term obligations		287,280	-
TOTAL NON-CURRENT LIABILITIES		<u>3,694,284</u>	<u>3,758,716</u>
TOTAL LIABILITIES		<u>4,329,706</u>	<u>4,557,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
TOTAL DEFERRED INFLOWS OF RESOURCES		<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets		13,105,461	11,744,710
Unrestricted		<u>5,519,179</u>	<u>6,187,456</u>
TOTAL NET POSITION		<u>\$ 18,624,640</u>	<u>\$ 17,932,166</u>

*See accompanying notes to basic financial statements*



**MERRIMACK VILLAGE DISTRICT**  
**Statements of Revenues, Expenses and Changes in Net Position**  
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Water sales and assessments	\$ 2,356,629	\$ 2,445,947
Protection charges	647,365	645,843
Sprinkler system charges	118,166	124,458
Service charges	91,775	105,831
Developer fees	18,750	33,727
Fines	23,931	24,034
Other income	71,519	43,723
Total operating revenues	<u>3,328,135</u>	<u>3,423,563</u>
Operating expenses:		
Production	425,167	565,615
Repairs and maintenance	169,651	124,860
General and administrative	1,393,327	1,322,634
Depreciation	568,333	569,278
Total operating expenses	<u>2,556,478</u>	<u>2,582,387</u>
Net operating income	<u>771,657</u>	<u>841,176</u>
Non-operating revenue (expenses):		
Interest income	19,441	514
Loss on investments		(8,156)
Interest expense	(130,754)	(176,514)
Total non-operating revenue (expenses)	<u>(111,313)</u>	<u>(184,156)</u>
Income before capital contributions	660,344	657,020
Capital contributions	<u>32,130</u>	<u>          </u>
Change in net position	692,474	657,020
Total net position - beginning	<u>17,932,166</u>	<u>17,275,146</u>
Total net position - ending	<u>\$ 18,624,640</u>	<u>\$ 17,932,166</u>

*See accompanying notes to basic financial statements*

**MERRIMACK VILLAGE DISTRICT**

**Statements of Cash Flows**

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 3,256,538	\$ 3,364,223
Cash received from developer fees	18,750	33,727
Cash received from other miscellaneous sources	71,519	43,723
Cash paid to suppliers	(1,132,777)	(1,219,171)
Cash paid to employees	<u>(782,792)</u>	<u>(763,252)</u>
Net Cash Provided by Operating Activities	<u>1,431,238</u>	<u>1,459,250</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds of other long-term obligations	287,280	
Principal paid on debt	(530,990)	(612,326)
Interest paid on debt	(182,223)	(197,552)
Capital contributions	12,852	
Purchase of capital assets	<u>(330,497)</u>	<u>(80,981)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(743,578)</u>	<u>(890,859)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(40,804)	(363,886)
Interest on investments	<u>432</u>	<u>514</u>
Net Cash (Used) by Investing Activities	<u>(40,372)</u>	<u>(363,372)</u>
Net Increase in Cash and Equivalents	647,288	205,019
Cash and equivalents, beginning	<u>2,102,349</u>	<u>1,897,330</u>
Cash and equivalents, ending	<u>\$ 2,749,637</u>	<u>\$ 2,102,349</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 771,657	\$ 841,176
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	568,333	531,734
Change in current assets and liabilities:		
(Increase) Decrease in accounts receivable	9,422	(44,453)
(Increase) Decrease in unbilled water charges	9,250	(35,594)
Decrease in prepaid expenses	10,262	3,581
Decrease in inventories	18,620	2,486
Increase in accounts payable	44,865	14,965
Increase (Decrease) in accrued expenses	(36)	10,867
(Decrease) in contractor advances	<u>(1,135)</u>	<u>(7,800)</u>
	<u>\$ 1,431,238</u>	<u>\$ 1,316,962</u>
Supplemental Disclosure of Non-cash Transactions:		
Amortization of bond premium	\$ 22,517	\$ 23,230
Capital contributions included in year end receivables	25,704	
Capital asset additions included in year end liabilities	<u>24,029</u>	
	<u>\$ 72,250</u>	<u>\$ 23,230</u>

*See accompanying notes to basic financial statements*

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2014 and 2013

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Merrimack Village District conform to accounting principles generally accepted in the United States of America as applicable to governmental units which operate in a manner similar to private business enterprises, except as indicated hereinafter. The following is a summary of significant accounting policies.

***Financial Reporting Entity***

The Merrimack Village District (District) was incorporated in 1955 to provide water for domestic, mercantile and industrial usage to the Town of Merrimack, New Hampshire. The District is organized as a Village District (special purpose district) under the laws of the State of New Hampshire and operates under the direction of an elected Board of Commissioners.

***Basis of Accounting***

The financial statements are presented on the accrual basis of accounting, wherein revenues are recognized when earned and expenses are recognized when incurred.

***Classifications***

Due from other governments has been reclassified from cash and cash equivalents in the June 30, 2013 financial statements to conform to the June 30, 2014 presentation.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include depreciation expense.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position***

Investments – Investments are recorded at fair value. At June 30, 2014 and 2013 investments consist solely of deposits with the New Hampshire Public Deposit Investment Pool (NHPDIP).

Inventory – Inventories consist of water system materials and supplies and are valued at lower of cost or market.

Cash and Cash Equivalents - For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following.

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash	\$ 1,532,650	\$ 848,812
Restricted Cash	749,393	786,062
Investment in NHPDIP	467,594	467,475
	<u>\$ 2,749,637</u>	<u>\$ 2,102,349</u>

*Capital Assets* – Capital assets are recorded at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. Improvements are capitalized: costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets is also capitalized. All reported capital assets except for land and construction in progress are depreciated. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

	<u>Years</u>
Wells and structures	7-50
Services and improvements	5-50
Vehicles and equipment	3-30

*Bond Premiums* - Bond premiums are deferred and amortized as a component of interest expense over the life of the related bond using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable bond premium. The balances of the unamortized bond premiums as of June 30, 2014 and June 30, 2013 are \$158,716 and \$181,233, respectively.

*Net Position* – Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes or other borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

***Revenues and Expenses***

*Operating Revenues and Expenses* – Operating revenues are those revenues that are generated directly from the primary activity of the District. These operating revenues consist of charges to customers for sales and services as well as miscellaneous charges in the normal course of operations. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the District. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Capital Contributions* – Funds received from other governments for the purpose of constructing assets are recorded as capital contributions.



**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

**NOTE 2--RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal years ended June 30, 2014 and 2013, the District was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2014 and 2013.

***Property and Liability Insurance***

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the District shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$5,000,000.

Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

***Worker's Compensation***

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

**NOTE 3--DEPOSITS AND INVESTMENTS**

Deposits and investments as of June 30, 2014 and 2013 are classified in the accompanying financial statements as follows:

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Statement of Net Position:		
Cash and equivalents	\$ 1,532,650	\$ 848,812
Restricted cash	749,393	786,062
Investments	<u>467,594</u>	<u>467,475</u>
Total deposits and investments	<u>\$ 2,749,637</u>	<u>\$ 2,102,349</u>

Deposits and investments as of June 30, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Deposits with financial institutions	\$ 2,281,943	\$ 1,634,774
Cash on hand	100	100
Investments	<u>467,594</u>	<u>467,475</u>
Total deposits and investments	<u>\$ 2,749,637</u>	<u>\$ 2,102,349</u>

The District's investment policy requires that deposits be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The District limits its investments to demand deposits, money market accounts, certificates of deposit, and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool in accordance with New Hampshire State law (RSA 197:23-a).

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Currently, the District has no investment policy for assurance against custodial credit risk. Of the District's deposits with financial institutions at June 30, 2014 and 2013, \$1,828,379 and \$1,216,623 was collateralized by securities held by the bank in the bank's name.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments at June 30, 2014 and 2013 consist solely of deposits in NHPDIP which are not rated.

The District has no policy regarding credit risk for its governmental funds as of June 30, 2014 and 2013.

***Investments in NHPDIP***

The District is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The District's exposure to derivatives is indirect through its participation in the NHPDIP. The District's

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

**NOTE 4--CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ending June 30, 2014:

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014
Capital assets not being depreciated:				
Land, easement and land improvements	\$ 531,303			\$ 531,303
Construction in progress	153,842	\$ 287,280		441,122
Total capital assets not being depreciated	<u>685,145</u>	<u>287,280</u>	<u>\$ -</u>	<u>972,425</u>
Other capital assets:				
Wells and Structures	4,679,278			4,679,278
Services and improvements	20,952,287			20,952,287
Vehicles and equipment	946,678	67,246		1,013,924
Total other capital assets	<u>26,578,243</u>	<u>67,246</u>	<u>-</u>	<u>26,645,489</u>
Less: accumulated depreciation for:				
Wells and Structures	(2,024,673)	(98,376)		(2,123,049)
Services and improvements	(8,446,877)	(432,053)		(8,878,930)
Vehicles and equipment	(820,967)	(37,904)		(858,871)
Total accumulated depreciation	<u>(11,292,517)</u>	<u>(568,333)</u>	<u>-</u>	<u>(11,860,850)</u>
Total other capital assets, net	<u>15,285,726</u>	<u>(501,087)</u>	<u>-</u>	<u>14,784,639</u>
Total capital assets, net	<u>\$ 15,970,871</u>	<u>\$ (213,807)</u>	<u>\$ -</u>	<u>\$ 15,757,064</u>

The following is a summary of changes in capital assets for the year ending June 30, 2013:

	Balance 7/1/2012	Additions	Reductions	Balance 6/30/2013
Capital assets not being depreciated:				
Land, easement and land improvements	\$ 531,303			\$ 531,303
Construction in progress	106,842	\$ 47,000		153,842
Total capital assets not being depreciated	<u>638,145</u>	<u>47,000</u>	<u>\$ -</u>	<u>685,145</u>
Other capital assets:				
Wells and Structures	4,679,278			4,679,278
Services and improvements	20,952,287			20,952,287
Vehicles and equipment	946,678			946,678
Total other capital assets	<u>26,578,243</u>	<u>-</u>	<u>-</u>	<u>26,578,243</u>
Less: accumulated depreciation for:				
Wells and Structures	(1,926,127)	(98,546)		(2,024,673)
Services and improvements	(8,014,163)	(432,714)		(8,446,877)
Vehicles and equipment	(782,949)	(38,018)		(820,967)
Total accumulated depreciation	<u>(10,723,239)</u>	<u>(569,278)</u>	<u>-</u>	<u>(11,292,517)</u>
Total other capital assets, net	<u>15,855,004</u>	<u>(569,278)</u>	<u>-</u>	<u>15,285,726</u>
Total capital assets, net	<u>\$ 16,493,149</u>	<u>\$ (522,278)</u>	<u>\$ -</u>	<u>\$ 15,970,871</u>

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

**NOTE 5--PENSION PLAN**

*Plan Description*

For fiscal years 2014 and 2013 the District contributed to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

*Funding Policy*

Covered general employees are required to contribute 7.0% of their covered salary, and the District is required to contribute at an actuarially determined rate. The District's contribution rate was 8.8% through June 30, 2013 and 10.77% thereafter, of covered payroll for general employees. The District contributes 100% of the employer cost for general employees of the District.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The District's contribution to the NHRS for the year ended June 30, 2014, 2013, and 2012 was \$75,012, \$56,033, and \$58,183 respectively, equal to the required contribution.

**NOTE 6--LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the years ending June 30, 2014 and 2013:

June 30, 2014

	Balance			Balance	Amounts
	<u>7/1/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2014</u>	<u>Due Within</u>
					<u>One Year</u>
General Obligation Bonds	\$ 4,035,000		\$ (435,000)	\$ 3,600,000	\$ 330,000
Unamortized bond premium	181,233		(22,517)	158,716	21,712
Total General Obligation Bonds	4,216,233	\$ -	(457,517)	3,758,716	351,712
Other long-term obligations		287,280		287,280	-
Capital lease payable	95,990		(95,990)	-	-
	<u>\$ 4,312,223</u>	<u>\$ 287,280</u>	<u>\$ (553,507)</u>	<u>\$ 4,045,996</u>	<u>\$ 351,712</u>

General obligation bonds are direct obligations of the District for which its full faith and credit are pledged, and are payable from charges for services earned on all properties with District boundaries.



**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

June 30, 2013

	Balance			Balance	Amounts
	<u>7/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2013</u>	<u>Due Within</u>
					<u>One Year</u>
General Obligation Bonds	\$ 4,490,000		\$ (455,000)	\$ 4,035,000	\$ 435,000
Unamortized bond premium	204,463		(23,230)	181,233	22,517
Total General Obligation Bonds	4,694,463	\$ -	(478,230)	4,216,233	457,517
Capital lease payable	253,316		(157,326)	95,990	95,990
	<u>\$ 4,947,779</u>	<u>\$ -</u>	<u>\$ (635,556)</u>	<u>\$ 4,312,223</u>	<u>\$ 553,507</u>

General obligation bonds payable at June 30, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Bond payable with a variable interest rate of 3.90% at inception and 5.00% at maturity with interest payable semi-annually on February 15 and August 15 of each year. Principal payments are due annually on August 15 in variable payments of \$105,000 to \$110,000. The bond matures on August 15, 2013.	\$ -	\$ 105,000
Bond payable with a variable interest rate of 7.00% at inception and 6.125% at maturity with interest payable semi-annually on February 15 and August 15 of each year. Principal payments are due annually on August 15 in variable payments of \$65,000 to \$70,000. The bond matures on August 15, 2014.	65,000	130,000
Bond payable with a variable interest rate of 3.00% at inception and 5.00% at maturity with interest payable semi-annually on February 15 and August 15 of each year. Principal payments of \$75,000 are due annually on August 15. The bond matures on August 15, 2022.	675,000	750,000
Bond payable with a variable interest rate of 3.00% at inception and 5.00% at maturity with interest payable semi-annually on January 15 and July 15 of each year. Principal payments are due annually on January 15 with an initial payment of \$56,400 in 2012 and then in variable payments of \$50,000 to \$55,000. The bond matures on January 15, 2026.	645,000	700,000
Bond payable with a variable interest rate of 3.00% at inception and 5.00% at maturity with interest payable semi-annually on February 15 and August 15 of each year. Principal payments are due annually on August 15 in variable payments of \$130,000 to \$135,000. The bond matures on August 15, 2030.	<u>2,215,000</u>	<u>2,350,000</u>
Add unamortized bond premium	<u>3,600,000</u>	<u>4,035,000</u>
	<u>158,716</u>	<u>181,233</u>
	<u>\$ 3,758,716</u>	<u>\$ 4,216,233</u>

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

For the Years Ended June 30, 2014 and 2013

Debt service requirements to retire general obligation bonds outstanding as of June 30, 2014 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 330,000	\$ 154,080	\$ 484,080
2016	260,000	142,034	402,034
2017	260,000	132,671	392,671
2018	260,000	121,933	381,933
2019	260,000	110,753	370,753
2020-2024	1,220,000	416,002	1,636,002
2025-2029	750,000	151,300	901,300
2030-2031	260,000	13,000	273,000
	<u>3,600,000</u>	<u>1,241,773</u>	<u>4,841,773</u>
Add: <i>Unamortized Bond Premium</i>	158,716		158,716
	<u>\$ 3,758,716</u>	<u>\$ 1,241,773</u>	<u>\$ 5,000,489</u>

General obligation bonds are direct obligations of the District for which its full faith and credit are pledged, and are payable from charges for services earned on all properties within District boundaries.

***Capital Lease Obligation***

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. The following is the individual capital lease obligation as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Equipment lease, due in monthly installments of \$13,974 through January 2014, including interest at 5.70%.	<u>\$ -</u>	<u>\$ 95,990</u>

The balance of the assets acquired through the capital lease as of June 30, 2013 is as follows:

	<u>2013</u>
Asset:	
Meters	\$ 1,141,088
Less: Accumulated depreciation	<u>(363,073)</u>
Total	<u>\$ 778,015</u>

***Other Long-Term Obligations***

The Town has drawn \$287,280 of approximately \$4,300,000 in funds under the State of New Hampshire, Drinking Water State Revolving Loan Fund Program for the construction of the Iron and Manganese Treatment Facility Project. Payments are not scheduled to commence until the first anniversary of the scheduled completion date of the project or the date of substantial completion, whichever is earliest. Interest is accrued at 1% during the construction period of the project and is to be paid upon completion of the construction project within the following year. Total funding to date of \$287,280 has been reported as 'Other long-term obligations'.

**MERRIMACK VILLAGE DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Years Ended June 30, 2014 and 2013

**NOTE 7--CONTINGENT LIABILITIES**

*Litigation*

In the opinion of District management, any potential claims against the District, which are not covered by insurance are immaterial and would not affect the financial position of the District.

**MERRIMACK VILLAGE DISTRICT**  
**Schedules of Expenses - Budget and Actual - Budgetary Basis**  
For the Years Ended June 30, 2014 and 2013

**June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Functional Expenses			
Current:			
Other general government	\$ 20,000	\$ -	\$ 20,000
Water distribution and treatment:			
Administration	364,652	348,997	15,655
Water services	1,408,245	1,346,250	61,995
Water treatment	351,276	290,209	61,067
Debt service:			
Principal of debt	550,990	530,990	20,000
Interest	211,206	130,754	80,452
Capital outlay	4,376,308	357,215	4,019,093
Transfer to Capital reserve	363,867	33,728	330,139
Total	<u>\$ 7,646,544</u>	<u>\$ 3,038,143</u>	<u>\$ 4,608,401</u>

**June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Functional Expenses			
Current:			
Executive	\$ 9,795	\$ 9,060	\$ 735
Financial administration	172,832	173,964	(1,132)
Personnel administration	82,480	74,973	7,507
Other general government	20,000		20,000
Water distribution and treatment:			
Administration	107,762	102,431	5,331
Water services	1,315,572	1,254,398	61,174
Water treatment	332,950	394,273	(61,323)
Debt service:			
Principal of debt	612,326	612,326	-
Interest	202,149	176,515	25,634
Capital outlay	140,000	4,010	135,990
Transfer to Capital reserve	1,035,890	1,035,890	-
Total	<u>\$ 4,031,756</u>	<u>\$ 3,837,840</u>	<u>\$ 193,916</u>

**REPORT ON INTERNAL CONTROL BASED ON  
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Commissioners of the  
Merrimack Village District  
Merrimack, New Hampshire

In planning and performing our audit of the financial statements of the business-type activities of the Merrimack Village District, Merrimack, New Hampshire (the District) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
November 13, 2014



# BUDGET FORM FOR VILLAGE DISTRICTS

without Budget Committee Under RSA 32:14-24

DATE OF MEETING: March 31, 2015 For Fiscal Year: 2015/2016

VILLAGE DISTRICT: Merrimack County: Hillsborough

In the Town(s) Of: Merrimack

Mailing Address: 2 Greens Pond Road  
Merrimack, NH 03054

Phone #: 603-424-9241 Fax #: 603-424-0563 E-Mail: natalie.couture@mvdwater.org

## IMPORTANT:

Please read RSA 32:5 applicable to all municipalities.

1. Use this form to list the operating budget and all special and individual warrant articles in the appropriate recommended and not recommended area. All proposed appropriations must be on this form.
2. Hold at least one public hearing on this budget.
3. When completed, a copy of the budget must be posted with the warrant. Another copy must be placed on file with the village district clerk, and a copy sent to the Department of Revenue Administration at the address below within 20 days of the meeting.

This is to certify that this budget was posted with the warrant on the (date) March 6, 2015.

### GOVERNING BODY (COMMISSIONERS)

*Please sign in ink.*

Under penalties of perjury, I declare that I have examined the information contained in this form and to the best of my belief it is true, correct and complete.

[Signature] 2/23/15

[Signature] 02-23-2015

[Signature]

[Signature] 2-23-15

\_\_\_\_\_

\_\_\_\_\_

**THIS BUDGET SHALL BE POSTED WITH THE VILLAGE DISTRICT WARRANT**

FOR DRA USE ONLY

NH DEPARTMENT OF REVENUE ADMINISTRATION  
 MUNICIPAL SERVICES DIVISION  
 P.O. BOX 487, CONCORD, NH 03302-0487  
 (603)271-3397

1	2	3	4	5	6	7
Acct. #	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. Warr. Art.#	Appropriations Prior Year As Approved by DRA	Actual Expenditures Prior Year	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
<b>GENERAL GOVERNMENT</b>						
4130-4139	Executive					
4150-4151	Financial Administration					
4153	Legal Expense					
4155-4159	Personnel Administration					
4194	General Government Buildings					
4196	Insurance					
4197	Advertising & Regional Assoc.					
4199	Other General Government					
<b>PUBLIC SAFETY</b>						
4210-4214	Police					
4215-4219	Ambulance					
4220-4229	Fire					
4290-4298	Emergency Management					
4299	Other Public Safety					
<b>HIGHWAYS &amp; STREETS</b>						
4311-4312	Admin., Highways & Streets					
4313	Bridges					
4316	Street Lighting					
4319	Other					
<b>SANITATION</b>						
4321-4323	Admin. & Solid Waste Collection					
4324	Solid Waste Disposal					
4325	Solid Waste Clean-up					
4326-4329	Sewage Coll. & Disposal & Other					
<b>WATER DISTRIBUTION &amp; TREATMENT</b>						
4331	Administration		363,652	339,948	392,031	
4332	Water Services		1,409,245	1,275,036	1,475,358	
4335	Water Treatment		351,276	305,475	363,977	
4338-4339	Water Conservation & Other					
<b>HEALTH</b>						
4411-4414	Administration & Pest Control					
<b>CULTURE &amp; RECREATION</b>						
4520-4529	Parks & Recreation					
4589	Other Culture & Recreation					

1	2	3	4	5	6	7
Acct. #	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. Warr. Art.#	Appropriations Prior Year As Approved by DRA	Actual Expenditures Prior Year	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
<b>DEBT SERVICE</b>						
4711	Princ.- Long Term Bonds & Notes		550,990	517,472	365,000	
4721	Interest-Long Term Bonds & Notes		191,206	184,719	197,215	
4723	Int. on Tax Anticipation Notes					
4790-4799	Other Debt Service					
<b>CAPITAL OUTLAY</b>						
4901	Land & Improvements					
4902	Machinery, Vehicles & Equipment		76,308	69,935	68,000	
4903	Buildings					
4909	Improvements Other Than Bldgs					
<b>OPERATING TRANSFERS OUT</b>						
4912	To Special Revenue Fund		200,000	0	200,000	
4913	To Capital Projects Fund					
4914	To Proprietary Fund (Contingency)		20,000			
<b>OPERATING BUDGET SUBTOTAL</b>			<b>3,162,677</b>	<b>2,692,585</b>	<b>3,061,581</b>	



**\*\*SPECIAL WARRANT ARTICLES\*\***

Special warrant articles are defined in RSA 32:3,VI, as: 1) appropriations in petitioned warrant articles; 2) appropriations raised by bonds or notes; 3) appropriation to a separate fund created pursuant to law, such as capital reserve funds or trust funds; 4) an appropriation designated on the warrant as a special article or as a nonlapsing or nontransferable article.

1	2	3	4	5	6	7
Acct. #	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. Warr. Art.#	Appropriations Prior Year As Approved by DRA	Actual Expenditures Prior Year	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
4915	To Capital Reserve Fund (System Dev.Charge)	6			18,750	
	To add to Capital Reserve Fund	7			300,000	
	To re-appropriate bond bank funds	3			749,393	
	To raise & appropriate funds from to Capital Reserve	8			250,000	
<b>SPECIAL ARTICLES RECOMMENDED</b>					1,318,143	

**\*\*INDIVIDUAL WARRANT ARTICLES\*\***

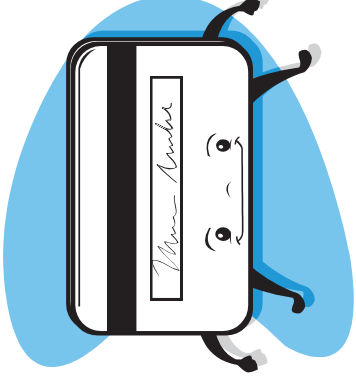
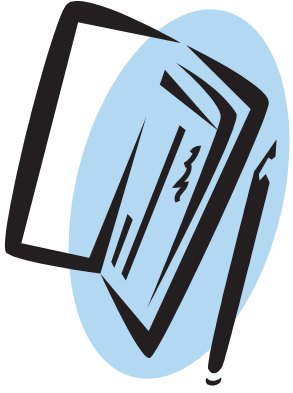
"Individual" warrant articles are not necessarily the same as "special warrant articles". Examples of individual warrant articles might be negotiated cost items for labor agreements, leases, or items of a one time nature.

1	2	3	4	5	6	7
Acct. #	PURPOSE OF APPROPRIATIONS (RSA 32:3,V)	OP Bud. Warr. Art.#	Appropriations Prior Year As Approved by DRA	Actual Expenditures Prior Year	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
	Contingency Fund	5			20,000	
<b>INDIVIDUAL ARTICLES RECOMMENDED</b>					20,000	

1	2	3	4	5	6
Acct.#	SOURCE OF REVENUE	WARR. ART.#	Estimated Revenues Prior Year	Actual Revenues Prior Year	Estimated Revenues Ensuing Fiscal Year
<b>TAXES</b>					
3190	Interest & Penalties on Delinquent Taxes				
3311-3319	FROM FEDERAL GOVERNMENT				
<b>FROM STATE</b>					
3351	Shared Revenues				
3354	Water Pollution Grant				
3359	Other (Including Railroad Tax)				
3379	FROM OTHER GOVERNMENTS				
<b>CHARGES FOR SERVICES</b>					
3401	Income from Departments				
3402	Water Supply System Charges				
3403	Sewer User Charges				
3404	Garbage - Refuse Charges				
3409	Other Charges (water supply)		3,037,951	3,084,424	2,966,814
<b>MISCELLANEOUS REVENUES</b>					
3501	Sale of Village District Property				
3502	Interest on Investments		1,489	431	557
3503-3509	Other Charges (Fines, Misc. etc...)		103,237	119,893	94,210
<b>INTERFUND OPERATING TRANSFERS IN</b>					
3912	From Special Revenue Funds				
3913	From Capital Projects Funds				
3914	From Proprietary Funds				
3915	From Capital Reserve Funds				
3916	From Trust & Agency Funds				
<b>OTHER FINANCING SOURCES</b>					
3934	Proc. from Long Term Bonds & Notes				
	Amounts Voted From Fund Balance				
	Estimated Fund Balance to Reduce Taxes				
<b>TOTAL ESTIMATED REVENUE &amp; CREDITS</b>			<b>3,142,677</b>	<b>3,204,748</b>	<b>3,061,581</b>

<b>**BUDGET SUMMARY**</b>
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	PRIOR YEAR	
OPERATING BUDGET Appropriations Recommended (from page 3)	3,204,748	3,061,581
Special Warrant Articles Recommended (from page 4)		1,318,143
Individual Warrant Articles Recommended (from page 4)		20,000
TOTAL Appropriations Recommended	3,204,748	4,399,724
Less: Amount of Estimated Revenues & Credits (from above)	3,204,748	4,399,724
Estimated Amount of Taxes to be Raised	0	0



Pay “On-Line” by visiting [www.mvdwater.org](http://www.mvdwater.org)

OR

**TOLL FREE #1-800-272-9829**

**CREDIT CARDS, PINLESS DEBIT CARDS AND E-CHECKS ACCEPTED**

\*\*\* A transaction fee will be charged by the service provider for payment methods. There is a limit of \$250.00 per transaction\*\*\*

Please note: credit cards and debit cards cannot be processed at the Merrimack Village District office



## *DATES TO REMEMBER*

Monthly	Board of Commissioners meets on the 3 <sup>rd</sup> Monday of each month
Annual/Biannual	Backflow Testing (for Commercial/Industrial Businesses)
Year Around	Odd/Even watering restriction is a tool to help manage our distribution system
April – Oct. 2015	Flushing of pipes in the distribution system. Watch for flushing notices in the newspaper, public access channel, and MVD website ( <a href="http://www.mvdwater.org">www.mvdwater.org</a> )
May 2015	Hydrant painting & maintenance begins
July 1, 2015	2015 Water Quality Report is mailed to all (Merrimack) Residents, Businesses, and Condominium Associations
March 22, 2016	Merrimack Village District Annual Meeting

*THE MERRIMACK VILLAGE DISTRICT WOULD LIKE TO  
THANK THE RESIDENTS AND BUSINESSES OF  
MERRIMACK FOR THEIR CONTINUED SUPPORT*

*IN APPRECIATION  
EMPLOYEES RECOGNITION*

*35 Years of Service*

*Carol Sutton*

*23 Years of Service*

*Jason Dubois*

*22 Years of Service*

*Kevin Gurney*

*18 Years of Service*

*Stephen Chase*

*17 Years of Service*

*Ron Miner*

*13 - 14 Years of Service*

*James Colburn*

*Ed Lambert*

*Dan St. Pierre*

*Natalie Couture*

*4 - 9 Years of Service*

*David Fredrickson*

*Brian Hieken*

*Jill Lavoie*

*Heinz Smith*