

Merrimack Village District

2017 Annual Report



IMPORTANT INFORMATION

MERRIMACK VILLAGE DISTRICT WATER WORKS OFFICE HOURS:

Monday-Friday 8:00am-4:30pm

2018 MVD HOLIDAYS – The MVD Office will be Closed:

January 1 st	New Year's Day	(Monday)
January 15 th	Martin Luther King Jr. Day	(Monday)
February 19 th	President's Day	(Monday)
May 28 th	Memorial Day	(Monday)
July 4 th	Independence Day	(Wednesday)
September 3 rd	Labor Day	(Monday)
November 12 th	Veterans Day Observed	(Monday)
November 22 nd & 23 rd	Thanksgiving Day	(Thursday & Friday)
December 24 th & 25 th	Christmas	(Monday & Tuesday)

DATES TO REMEMBER:

Monthly	Board of Commissioners Meeting - 3 rd Monday of Each Month
Annual/Biannual	Backflow Testing (Commercial/Industrial Businesses)
Year-Round	Odd/Even Watering Restriction - Tool to help manage our distribution system
March 27, 2018	Merrimack Village District Annual Meeting 7pm Mastricola Upper Elementary, 26 Baboosic Lake Road, All-Purpose Room
Apr – Oct 2018	Water System Flushing - Notices Posted in the Newspaper, Merrimack's Public Access Channel and www.mvdwater.org
May 2018	Hydrant Painting & Maintenance Begins
July 1, 2018	2018 Water Quality Report - Mailed to All Merrimack Residents, Businesses, and Condominium Associations
February 25, 2019	Merrimack Village District Public Hearing 7pm – <i>Check MVD Calendar for Location Last Monday in February</i>
March 26, 2019	Merrimack Village District Annual Meeting 7pm – <i>Check MVD Calendar for Location Last Tuesday in March</i>

MVD WEBSITE & EMAIL:

The MVD website, www.mvdwater.org, continues to be updated and provides a vast amount of information for all Merrimack residents, including: Schedule of Rates, Approved Budget, PFAS Information & Resources, Flushing Program, Public/Legal Notices and the MVD's Event Calendar. You may also email us with any inquiries at customerservice@mvdwater.org.

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

**MERRIMACK VILLAGE DISTRICT
WATER WORKS**



2017 ANNUAL REPORT

Merrimack Village District Office • 2 Greens Pond Road • Merrimack, NH 03054
Website: www.mvdwater.org

**MERRIMACK VILLAGE DISTRICT
2017 ANNUAL REPORT**

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Cover Photography: Amy Doucette of MVD

MVD OFFICERS AND STAFF

District Officers

Term Expires

Chairman	Lon Woods	2018
Vice Chairman	Anthony (Tony) Pellegrino	2020
Commissioner/Personnel Liaison	George (Chip) Keller	2019
Commissioner	John (Jack) Balcom	2018
Commissioner	Joseph (Joe) Comer	2020
Moderator	Brian McCarthy	2018
Clerk	Jill Lavoie	2020
Treasurer	Lynn Christensen	2018
Secretary	Rita Pointon	

Not an Elected Position

District Staff

Superintendent	Ronald Miner
Business Manager/Water Quality Support	Jill Lavoie
Finance & Human Resources Director	Michele Holton
Customer Service & Billing Rep	Amy Doucette
Distribution Foreman	David Fredrickson
Assistant Distribution Foreman	Stephen Chase
Distribution Field Technicians	Brian Hieken Edward Lambert Heinz Smith Daniel St. Pierre
Treatment Supervisor	Kevin Gurney
Assistant Treatment Supervisor	Jason Dubois
Treatment Field Technician	James (Skip) Colburn

Merrimack Village District Office • 2 Greens Pond Road • Merrimack, NH 03054
Phone: (603) 424-9241 • Fax: (603) 424-0563 • Email: customerservice@mvdwater.org
Website: www.mvdwater.org



WATER WORKS
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: 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.

Vice Chairman: Anthony (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/Personnel Liaison: 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. He is also associated with Fieldstone Land Consultants, PLLC and is the former owner of George F. Keller Inc. Civil Engineers.

Commissioner: John (Jack) Balcom joined the MVD in 2015 in his 3rd term as a State Representative, his 6th term as Trustee of the Trust Funds and a former School Board member. He is also a former President of the NH Music Teachers Association and of the Friends of Merrimack Public Library.

Commissioner: Joseph (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: Brian McCarthy

Clerk: Jill Lavoie

Treasurer: Lynn Christensen

Secretary: Rita Pointon (*Not an Elected Position*)

Chairman Lon Woods would like to thank the Board of Commissioners and the entire MVD staff for their support and dedication



MERRIMACK VILLAGE DISTRICT

*All at the Merrimack Village District
Extend a Sincere Thank You in Appreciation of
Over 20 Years of Dedicated Service to the District as a
Commissioner & Chairman of the Board of Commissioners*

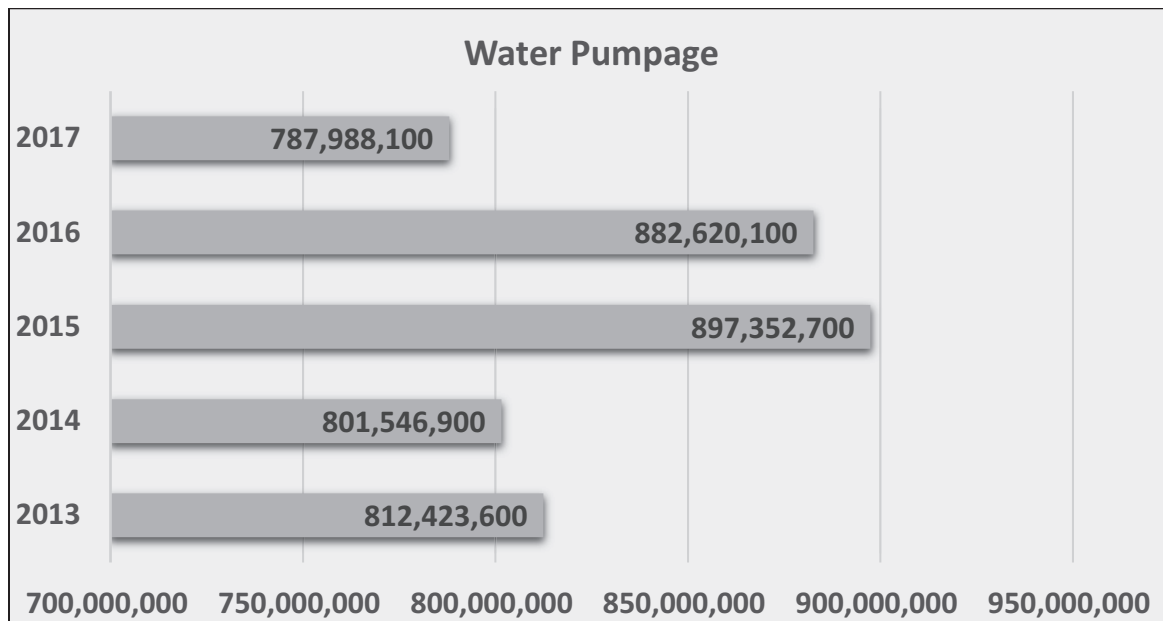


Lon Woods

~ Best Wishes in Retirement ~

ABOUT 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 in March. The MVD provides water to over 87% of the town by servicing and maintaining over 925,000 feet of pipe, 900 fire hydrants, 7 wells (6 active, 1 inactive), 3 water storage tanks, 1 Iron & Manganese treatment Plant, and 3 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 2017, the gallons of water pumped for the year was over 787,980,000. The following chart shows the total gallons pumped per year for the past 5 years.



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 miles of water mains to homes, businesses and schools.

**Consumer Confidence Report
Merrimack Village District
2017
(2016 data)
EPA ID# 1531010**

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 storm water 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 at the pumping stations as required prior to being released into the Distribution System.

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

The source assessment done in 2000 and the remainder of the wells in 2002 indicates that Four (4) wells were rated low, the other two (2) wells were rated in the medium range 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 The 4 page completed report can be obtained from the NHDES website at:

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

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) or Superintendent Ronald Miner, Jr. at (603) 424-9241 x107 (email ron.miner@mvdwater.org).

The MVD Board of Commissioners meets the 3rd 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.

Water Quality Data Table

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of contaminants in water provided by public water systems. The table below lists all of the drinking water contaminants that we detected during the last calendar year. Although many more contaminants were tested, only those substances listed below were found in your water. All sources of drinking water contain some naturally occurring contaminants. At low levels, these substances are generally not harmful in our drinking water. Removing all contaminants would be extremely expensive, and in most cases, would not provide increased protection of public health. A few naturally occurring minerals may actually improve the taste of drinking water and have nutritional value at low levels. Unless otherwise noted, the data presented in this table is from testing done in the last calendar year. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not vary significantly from year to year, or the system is not considered vulnerable to this type of contamination. As such, some of our data, though representative, may be more than one year old. In this table you will find terms and abbreviations that might not be familiar to you. To help you better understand these terms, we have provided the definitions below the table.

Contaminants	MCLG or MRDLG	MCL, TT, or MRDL	Your Water	Range		Sample Date	Violation	Typical Source
				Low	High			
Inorganic Contaminants								
Nitrate [measured as Nitrogen] (ppm)	10	10	2.13	ND	.033	2016	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Sodium (optional) (ppm)	NA		55.3	28.5	102	15/16	No	Erosion of natural deposits; Leaching
Barium	2	2	.02	.011	.033	15/16	No	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits.
Microbiological Contaminants								
Turbidity (NTU)	NA	5	.8	NA		2016	No	Soil runoff
Contaminants	AL	Your Water	Sample Date	# Samples Exceeding AL	Violation	Typical Source		
Copper - action level at consumer taps (ppm)	1.3	.184	2016	0	No	Corrosion of household plumbing systems; Erosion of natural deposits		

Contaminants	AL	Your Water	Sample Date	# Samples Exceeding AL	Violation	Typical Source
Lead - action level at consumer taps (ppb)	15	0	2016	0	No	Corrosion of household plumbing systems; Erosion of natural deposits

Unregulated Contaminants

As part of an on-going evaluation program the EPA has required us to monitor some additional contaminants/chemicals. Information collected through the monitoring of these contaminants/chemicals will help to ensure that future decisions on drinking water standards are based on sound science.

Name	EPA advisory / AGQS	Average Level PFOA/PFOS in MVD Wells	Range		Sample
	70 ppt combined		Low	High	Date
Well #2 perfluorooctanoic acid (PFOA) (ppt)		14.26	6	33	2016
perfluorooctane sulfonate (PFOS) (ppt)		1.3	ND	23	2016
Well #3 perfluorooctanoic acid (PFOA) (ppt)		19.4	10	45	2016
perfluorooctane sulfonate (PFOS) (ppt)		1	ND	16.7	2016
Well #4 perfluorooctanoic acid (PFOA) (ppt)		79.5	25	130	2016
perfluorooctane sulfonate (PFOS) (ppt)		4.6	ND	11	2016
Well #5 perfluorooctanoic acid (PFOA) (ppt)		52.4	21	79	2016
perfluorooctane sulfonate (PFOS) (ppt)		1.46	ND	5.5	2016
Well #7 perfluorooctanoic acid (PFOA) (ppt)		24.6	8	38	2016
perfluorooctane sulfonate (PFOS) (ppt)		1.3	ND	7	2016
Well #8 perfluorooctanoic acid (PFOA) (ppt)		17.2	5	32	2016
perfluorooctane sulfonate (PFOS) (ppt)		.94	ND	18	2016
Blend of wells 7&8 Iron/ Manganese Treatment Plant					
perfluorooctanoic acid (PFOA) (ppt)		19.4	7	30	2016
perfluorooctane sulfonate (PFOS) (ppt)		.2	ND	4.9	2016

To view more information on PFOA/PFOS along with testing results please visit our web site at www.mvdwater.org and click on the link provided.

Definitions

Unit Descriptions	
Term	Definition
ppm	ppm: parts per million, or milligrams per liter (mg/L)
ppb	ppb: parts per billion, or micrograms per liter (µg/L)
ppt	ppt: parts per trillion
NTU	NTU: Nephelometric Turbidity Units. Turbidity is a measure of the cloudiness of the water. We monitor it because it is a good indicator of the effectiveness of our filtration system.
NA	NA: not applicable
ND	ND: Not detected
NR	NR: Monitoring not required, but recommended.

Important Drinking Water Definitions	
Term	Definition
MCLG	MCLG: Maximum Contaminant Level Goal: 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.
MCL	MCL: Maximum Contaminant Level: 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.
AGQS	AGQS: Ambient Groundwater Quality Standard: An enforceable standard set by NHDES under Chapter 485 of the New Hampshire Safe Drinking water Act.
TT	TT: Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.
AL	AL: Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
Variances and Exemptions	Variances and Exemptions: State or EPA permission not to meet an MCL or a treatment technique under certain conditions.
MRDLG	MRDLG: Maximum residual disinfection level goal. 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.
MRDL	MRDL: Maximum residual disinfectant level. 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.
MNR	MNR: Monitored Not Regulated
MPL	MPL: State Assigned Maximum Permissible Level

For more information please contact:

Contact Name: Jill Lavoie
 Address: 2 Greens Pond Road Merrimack, NH 03054
 Phone: 603-424-9241



GROUNDWATER BASICS



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.

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

Merrimack has been awarded official Groundwater Guardian status from the National Groundwater Foundation in Lincoln, Nebraska since 1999. 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.

Where to go for more information?

Merrimack Village District • www.mvdwater.org • 603-424-9241

NH Department of Environmental Services • www.des.state.nh.us • 603-271-3503

US Environmental Protection Agency, Region 1 • www.epa.gov/region1 • 888-372-7341

EPA Safe Drinking Water Hotline • 800-426-2791

US Center for Disease Control (CDC) • www.cdc.gov • 800-311-3435

EASY STEPS TO PROTECT DRINKING WATER

- **Reduce the amount of trash you create by taking advantage of recycling programs**
- **Recycle used antifreeze & motor oil**
- **Do NOT dump anything into storm drains**
- **Do NOT overuse household chemicals**
- **Check frequently for leaks in any underground fuel storage tanks**
- **Inspect your septic system for issues EVERY year**
- **Properly seal abandoned wells**
- **Limit the use of lawn fertilizers, be sure to use ONLY phosphorus-free lawn fertilizers and reduce or eliminate pesticide applications**
- **Keep pollutants away from boat marinas and waterways**
- **Report ANY spills or illegal dumping in designated Drinking Water Protection Areas**
- **Commercial Properties – Install a Backflow Protection Device**

MERRIMACK VILLAGE DISTRICT – FREQUENTLY ASKED QUESTIONS

Is there fluoride added to my water?

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

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 connect my property to 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 discolored?

Discolored water is often caused by a flushing of pipes in the distribution system: a water main break, or fire hydrant use. The 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 clear within a few hours.

How will I be billed and what are my payment options?

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 required for maintenance & repairs of all hydrants and applies to any home within 600 feet of a hydrant whether or not you are an MVD customer. New customers pay a one-time transfer fee of \$40 to setup their MVD account, and this appears on the first water bill.

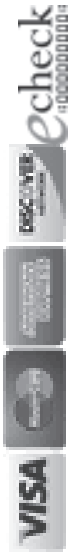
Payments may be made online, by phone or by mail. Information is located on our website at www.mvdwater.org. We also accept cash and check payments at our office located at 2 Greens Pond Road, between the hours of 8:00am and 4:30pm, Monday through Friday. And there is a 24-Hour Drop Box for check payments at the MVD Office front entrance.



MERRIMACK VILLAGE DISTRICT WATER WORKS

PAYMENT OPTIONS

 OFFICIAL PAYMENTS* Provides Credit Card and e-Check Processing



Visa, MasterCard, American Express, Discover & eChecks Accepted

 **PAY Online:** www.mvdwater.org

 **PAY by Phone: 1-800-272-9829**
(Option 3 - All Other Payment Types)

Pay by Phone Information Required: Acct # _____ Acct Balance _____ Jurisdiction Code 3903

Transaction fee charged by service provider for all Online and Phone payments. Limit of \$250 per transaction.

**PAY by Cash or Check: Cash & Checks Accepted at the
Merrimack Village District Office - 2 Greens Pond Road & Checks via Mail**
Hours: Monday-Friday 8:00am-4:30pm / 24-Hour Drop Box for Check Payments at MVD Office Front Entrance

**MERRIMACK VILLAGE DISTRICT
WATER WORKS**



FINANCIAL REPORTS

**MERRIMACK VILLAGE DISTRICT,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities and enterprise fund of the Merrimack Village District as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Town'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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and enterprise fund of the Merrimack Village District, as of June 30, 2017, and the respective changes in financial position and, where applicable cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis – Due to a transition in both the Finance Director and Treasurer positions that occurred late in the fiscal year, management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the omitted Management's Discussion and Analysis.

*Merrimack Village District
Independent Auditor's Report*

Required Supplementary Information – Accounting principles generally accepted in the United States of America require that the Schedule of District's Proportionate Share of Net Pension Liability (page 18), and the Schedule of District Contributions (page 19) 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.

February 28, 2018

*Plodzik & Sanderson
Professional Association*

EXHIBIT A
Merrimack Village District
Statement of Net Position
June 30, 2017

ASSETS	
Cash and cash equivalents	\$ 2,295,130
Investments	875,555
Accounts receivables	1,155,636
Due from other governments	4,975,658
Inventory	88,990
Prepaid items	300
Capital assets, not being depreciated:	
Land	393,210
Construction in progress	109,130
Capital assets, net of accumulated depreciation:	
Land improvements	1,382,317
Buildings and building improvement	336,336
Machinery and equipment	1,029,733
Infrastructure	15,651,430
Total assets	<u>28,293,425</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	<u>339,501</u>
LIABILITIES	
Current liabilities:	
Accounts payable	166,354
Accrued salaries and benefits	13,318
Retainage payable	2,578
Accrued interest payable	51,647
Long-term liabilities:	
Due in less than one year:	
Bond	440,566
Unamortized bond premium	13,522
Due in more than one year:	
Bond	6,462,160
Unamortized bond premium	82,487
Compensated absences	107,787
Net pension liability	1,259,145
Total liabilities	<u>8,599,564</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts related to pensions	<u>32,033</u>
NET POSITION	
Net investment in capital assets	12,392,298
Restricted	157,304
Unrestricted	7,451,727
Total net position	<u>\$ 20,001,329</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
Merrimack Village District
Statement of Revenues, Expenses, and Change in Net Position
For the Fiscal Year Ended June 30, 2017

Operating revenues:	
User charges	\$ 3,521,313
Miscellaneous	52,993
Total operating revenues	3,574,306
Operating expenses:	
Salaries and wages	1,302,690
Operation and maintenance	829,272
Depreciation and amortization	682,262
Total operating expenses	2,814,224
Operating gain	760,082
Nonoperating revenue:	
Interest revenue	19,653
Interest expense	(224,246)
Total nonoperating revenues	(204,593)
Extraordinary item	216,495
Change in net position	771,984
Net position, beginning	19,229,345
Net position, ending	\$ 20,001,329

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C
Merrimack Village District
Proprietary Fund
Statement of Cash Flows
June 30, 2017

<hr/>	
Cash flows from operating activities:	
Receipts from customers and users	\$ 2,561,087
Payments to employees	(1,223,683)
Payments to suppliers	(943,743)
Net cash provided by operating activities	<u>393,661</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(480,763)
Extraordinary item	216,495
Payments on long-term debt	(407,274)
Interest paid	(221,266)
Net cash used by capital and related financing activities	<u>(892,808)</u>
Cash flows from investing activities:	
Interest received	19,653
Net cash used by investing activities	<u>19,653</u>
Net decrease in cash	(479,494)
Cash, beginning	3,650,179
Cash, ending	<u>\$ 3,170,685</u>
Reconciliation of Operating Gain to Net Cash Provided (Used) by Operating Activities	
Operating gain	<u>\$ 760,082</u>
Adjustments to reconcile operating gain to net cash provided (used) by operating activities:	
Depreciation expense	682,262
Increase in other receivables	(1,013,219)
Decrease in prepaid items	5,820
Decrease in inventories	36,256
Increase in net pension liability and deferred outflows and inflows related to pensions	61,808
Decrease in accounts payable	(26,188)
Decrease in accrued salaries and benefits	(103,205)
Decrease in retainage payable	(130,359)
Increase in compensated absences payable	120,404
Total adjustments	<u>(366,421)</u>
Net cash provided by operating activities	<u>\$ 393,661</u>

The notes to the basic financial statements are an integral part of this statement.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

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MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Merrimack Village District, New Hampshire (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

In 2017, the District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a government should apply.

The more significant of the District's accounting policies are described below.

1-A Reporting Entity

The Merrimack Village District is a municipal corporation governed by an elected 5-member Board of Commissioners. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The District has no component units to include in its reporting entity.

1-B Basis for Presentation

The District prepares its financial statements as a proprietary fund type (enterprise fund) on an accrual basis of accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) to provide certain goods and services to the general public to be financed or recovered primarily through user chargers or where the governing body has deemed that periodic determination of net income is appropriate for purposes of monitoring capital maintenance, accountability, or other purposes.

1-C Measurement Focus

The proprietary fund financial statements are reported using the economic resource measurement focus. Under this concept, revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are chargers for services. Operating expenses for enterprise funds include depreciation on capital assets, labor, supplies, and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1-D Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist of demand deposits.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Statement of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

1-F Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the District to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the District. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Investments are reported at fair value. The District discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy is as follow:

Level 1 – Inputs that reflect quoted prices (unadjusted) in active markets for identical assets and liabilities that the District has the ability to access at the measurement date. Most of the District’s directly held marketable equity securities would be examples of Level 1 investments.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the District’s holdings in U.S. government obligations and corporate bonds would be examples of Level 2 investments.

Level 3 – Unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative financial instruments.

In determining fair value, the District utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

1-G Receivables

Receivables recorded in the financial statements represent amounts due to the District at June 30. They are aggregated into a single accounts receivable line for certain funds and aggregated columns. They consist primarily of water user charges, amounts due from Saint Gobain for the Pennichuck Booster Station, and trust funds held in custody of the trustee of trust funds for the Town of Merrimack, which are recognized as revenue for the period when service was provided.

1-H Inventory

The inventories of the District are valued at lower of cost or market. The inventories of the District’s proprietary fund consisted of water system materials and supplies. The cost is recorded as an expense when consumed rather than when purchased.

1-I Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

1-J Capital Assets

Capital assets are defined by the District as assets with a useful life in excess of one year and an initial individual cost of \$5,000 or more for water main improvements and operating equipment or \$50,000 or more for infrastructure. Capital assets include property, plant, and equipment, infrastructure. As the District constructs or acquires additional capital assets each year, they are

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity of efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Capital Asset Classes:	
Land improvements	20-50
Building and building improvements	15-100
Machinery, equipment, and vehicles	5-50
Infrastructure	5-50

I-K Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2017.

I-L Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until then.

I-M Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bond using the effective interest rate method.

I-N Compensated Absences

Vacation - The District's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by personnel policy. The liability for such leave is reported as incurred in the proprietary fund financial statements.

Sick Leave - The District's policy allows certain employees to earn varying amounts of sick time as set forth by the District's personnel policy. A liability for those amounts is recorded in the proprietary fund financial statements.

I-O Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded in the proprietary fund financial statements as expense when the related liabilities are incurred.

I-P Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No.73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules are prepared by New Hampshire Retirement System, and are audited by the plan's independent auditors.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

1-Q Net Position

Equity is classified as net position and displayed in three components:

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

1-R Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, and the useful lives, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

DETAILED NOTES ON ALL FUNDS

NOTE 2 – CASH AND CASH EQUIVALENTS

The District’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the District’s agent in the District’s name. The FDIC currently insures the first \$250,000 of the District’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the District’s deposits was \$2,295,030, with petty cash in the amount of \$100 for a total cash balance of \$2,295,130. The bank balances at June 30, 2017 totaled \$2,270,215.

NOTE 3 – INVESTMENTS

Note 1-F describes statutory requirements covering the investment of the District funds. The District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the District’s mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The District has the following recurring fair value measurements as of June 30, 2017:

	Valuation Measurement Method	Fair Value
Investments type:		
NH Public Deposit Investment Pool	Level 2	\$ 875,555

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

NOTE 4 – ACCOUNTS RECEIVABLES

Receivables at June 30, 2017, consisted of accounts (billings for water and amounts due from Saint Gobain for the Pennichuck Booster Station). Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2017, consisted of amounts held in the custody of the trustees of the trust funds for the Town of Merrimack as well as amounts due from other governments for various grants.

Due from Town of Merrimack Trustees of Trust Funds:			
<i>Capital Reserve Funds:</i>			
Acquisition of Land	\$ 1,465,810		
Equipment and Facilities	3,009,085		
System Development Charge	494,337		
Total due from Town of Merrimack Trustees of Trust Funds			\$ 4,969,232
Due from grants			6,426
Total due from other governments			<u>\$ 4,975,658</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 393,210	\$ -	\$ -	\$ 393,210
Construction in progress	-	109,130	-	109,130
Total capital assets not being depreciated	<u>393,210</u>	<u>109,130</u>	<u>-</u>	<u>502,340</u>
Being depreciated:				
Land improvements	3,299,253	-	-	3,299,253
Buildings and building improvements	797,290	-	-	797,290
Machinery, equipment, and vehicles	2,463,878	85,363	(186,224)	2,363,017
Infrastructure	25,062,890	286,270	-	25,349,160
Total capital assets being depreciated	<u>31,623,311</u>	<u>371,633</u>	<u>(186,224)</u>	<u>31,808,720</u>
Total all capital assets	<u>32,016,521</u>	<u>480,763</u>	<u>(186,224)</u>	<u>32,311,060</u>
Less accumulated depreciation:				
Land improvements	(1,850,485)	(66,451)	-	(1,916,936)
Buildings and building improvements	(439,557)	(21,397)	-	(460,954)
Machinery, equipment, and vehicles	(1,425,112)	(94,396)	186,224	(1,333,284)
Infrastructure	(9,197,300)	(500,430)	-	(9,697,730)
Total accumulated depreciation	<u>(12,912,454)</u>	<u>(682,674)</u>	<u>186,224</u>	<u>(13,408,904)</u>
Net book value, capital assets being depreciated	<u>18,710,857</u>	<u>(311,041)</u>	<u>-</u>	<u>18,399,816</u>
Net book value, all capital assets	<u>\$ 19,104,067</u>	<u>\$ (201,911)</u>	<u>\$ -</u>	<u>\$ 18,902,156</u>

NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources of \$339,501 and \$32,033, respectively reported on the Statement of Net Position at June 30, 2017 consist of deferred amounts related to pensions. See Note 8 for more information on pension related deferrals.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

NOTE 8 – LONG-TERM LIABILITIES

Changes in the District’s long-term liabilities consisted of the following for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 7,310,000	\$ -	\$ 407,274	\$ 6,902,726	\$ 440,566
Premium	116,136	-	20,127	96,009	13,522
Total bonds payable	<u>7,426,136</u>	<u>-</u>	<u>427,401</u>	<u>6,998,735</u>	<u>454,088</u>
Compensated absences	-	107,787	-	107,787	-
Pension related liability	935,021	324,124	-	1,259,145	-
Total long-term liabilities	<u>\$ 8,361,157</u>	<u>\$ 431,911</u>	<u>\$ 427,401</u>	<u>\$ 8,365,667</u>	<u>\$ 454,088</u>

Long-term bonds are comprised of the following:

	Original Amount	Maturity Date	Interest Rate %	Outstanding at June 30, 2017	Current Portion
General obligation bonds payable:					
2002 Series B issue	\$ 1,500,000	2023	3.0-5.0%	\$ 450,000	\$ 75,000
2010 Series B issue	\$ 835,000	2026	3.0-5.0%	480,000	55,000
2010 Series D issue	\$ 2,800,000	2031	3.0-5.0%	1,820,000	130,000
	\$ 4,300,000	2036	1.96%	<u>4,152,726</u>	<u>180,566</u>
				6,902,726	440,566
Bond premium				96,009	13,522
Total				<u>\$ 6,998,735</u>	<u>\$ 454,088</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments, are as follows:

Fiscal Year Ending June 30, 2017	Principal	Interest	Total
2018	\$ 440,566	\$ 202,227	\$ 642,793
2019	444,106	187,507	631,613
2020	447,714	175,671	623,385
2021	451,393	159,542	610,935
2022	455,145	143,340	598,485
2023-2027	1,964,617	503,070	2,467,687
2028-2032	1,660,062	221,575	1,881,637
2033-2036	1,039,123	52,683	1,091,806
Totals	<u>\$ 6,902,726</u>	<u>\$ 1,645,615</u>	<u>\$ 8,548,341</u>

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description: The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in the State are eligible and required to participate in the Pension Plan. The System issues a publically available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE

NOTES TO THE BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

Benefits Provided: The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and available to pay retirement benefits to all members.

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC) multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Contributions: The System is financed by contributions from both the employees and the District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2017, the District is required to contribute 11.17% for all employees. The contribution requirements for the fiscal year 2017 was \$85,874, which were paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: At June 30, 2017 the District reported a liability of \$1,259,145 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2016, the District's proportion was 0.02367885% which was an increase of 0.00007885% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$139,506. At June 30, 2017 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 24,564	\$ 16,133
Changes in assumptions	154,961	-
Net difference between projected and actual investment earnings on pension plan investments	78,779	-
Differences between expected and actual experience	3,499	15,900
Contributions subsequent to the measurement date	77,698	-
Total	<u>\$ 339,501</u>	<u>\$ 32,033</u>

The \$77,698 reported as deferred outflows of resources related to pensions results from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2017	\$ 44,370
2018	44,370
2019	75,226
2020	62,840
2021	2,964
Totals	<u>\$ 229,770</u>

Actuarial Assumptions: The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2015, using the following actuarial assumptions which, accordingly apply to 2016 measurements:

Inflation:	2.5%
Salary increases:	5.6% average, including inflation
Investment rate of return:	7.25% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on last experience study.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return: The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2016:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2016
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	<u>30.00%</u>	
Int'l Equities (unhedged)	13.00%	4.75%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	<u>20.00%</u>	
Core Bonds	5.00%	(0.64%)
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	(1.71%)
Absolute Return Fixed Income	7.00%	1.08%
Total fixed income	<u>25.00%</u>	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	3.68%
Total alternative investments	<u>15.00%</u>	
Real estate	10.00%	3.25%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the collective total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE

NOTES TO THE BASIC FINANCIAL STATEMENTS

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2016	\$ 1,617,916	\$ 1,259,145	\$ 961,602

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 10 – BUSINESS-TYPE ACTIVITIES NET POSITION

Net position reported Statement of Net Position at June 30, 2017 include the following:

Net investment in capital assets:	
Net book value, all capital assets	\$ 18,902,156
Less:	
General obligation bonds payable	(6,413,849)
Unamortized bond premiums	(96,009)
Total net investment in capital assets	<u>12,392,298</u>
Restricted net position for unspent bond proceeds	157,304
Unrestricted	<u>7,451,727</u>
Total net position	<u><u>\$ 20,001,329</u></u>

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2017, the District was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. This entity is considered a public entity risk pools, currently operating as common risk management and insurance programs for member Districts.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from June 30, 2016 to June 30, 2017 by Primex³, which 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. The property and liability insurance also 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. The estimated net contribution from the District billed and paid for the year ended June 30, 2017 was \$11,843 for workers' compensation and \$26,062 for property/liability.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

NOTE 12 – EXTRAORDINARY ITEM

The extraordinary item of \$216,495 as of June 30, 2017 consisted of amounts related to amounts received from a business operating within the Town of Merrimack, for the purchase of Pennichuck Booster Station.

NOTE 13 – CONTINGENT LIABILITIES

Litigation - There are various legal claims and suits pending against the District which arose in the normal course of the governments activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the District.

The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Environmental Remediation - Low concentrations of certain perfluorinated chemicals (PFC's) have been detected in the Merrimack Village District water system. The Merrimack Village District is served by groundwater pumped from six wells in sand and gravel deposits. The source of these PFC's is most likely airborne contamination originating from an industry in the northeast portion of the Town of Merrimack. The contaminants were then carried by precipitation or runoff into the aquifers. The primary contaminant is perfluorooctanoic acid or PFOA.

New Hampshire Department of Environmental Services (NHDES) has an ongoing investigating into presence of perfluorochemicals (PFCs) in drinking water in the Towns of Merrimack and Litchfield, New Hampshire. The investigation was initiated in 2016, when Saint-Gobain Performance Plastics (SGPP) notified NHDES that perfluorooctanoic acid (PFOA) was detected at low levels [0.03 micrograms per liter (µg/L) or 30 parts per trillion] in samples taken from four water faucets within their Merrimack facility, which is served by the Merrimack Village District.

To provide Americans, including the most sensitive populations, with a margin of protection from a lifetime of exposure to PFOA and PFOS from drinking water, EPA has established the health advisory levels at 70 parts per trillion (ppt). After a review and comment period, NHDES has set an Ambient Groundwater Quality Standard for PFOA and PFOS at 70 ppt combined making it enforceable not just advisory.

NHDES is requiring SGPP to provide for the design, installation, operation, maintenance and monitoring of all water treatment system(s) necessary to effectively treat and remove PFC contamination from all affected public water systems along with reimbursement of expenses accrued to date. At this time SGPP has agreed to fund the preliminary design while additional testing of wells 4 and 5 by their engineers. with a report of their findings around the end of November.

The amounts, if any, of expenditures to be incurred by the Merrimack Village District cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through February 28, 2018, the date the June 30, 2017 financial statements were available to be issued, and the following require recognition or disclosure:

Verizon Land Lease Agreement – Subsequent to the end of the fiscal year under audit, Management of the Village District identified amounts owed to the Village District related to an August 2015 signed land lease agreement between Cellco Partnership d/b/a Verizon Wireless and the Merrimack Village District. Under this agreement Cellco Partnership d/b/a Verizon Wireless agrees to annual payments of \$26,400. Investigation of Management of the Village District identified an amount of \$35,464 due to the Village District as of June 30, 2017. This amount has been reflected in the Village District's accounts receivable balance.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Petition Warrant Articles – Prior to the release of the financial statements, a petition warrant article was submitted for inclusion on the annual ballot. The petition warrant article if passed would impact either the structure or existence of the Village District as a standalone government. At this time, the likelihood of the passing of these warrant articles is unknown. Further if the petition warrant article to disband the municipal entity is successful a subsequent year vote on behalf of the Town of Merrimack would likely be necessary to authorize the transfer of responsibilities and management of the Village District to the Town of Merrimack. Due to the unknown result and the fact that if disbanding of Village District is authorized the process to transfer responsibility and management of the Village District would require a period greater than twelve months, thus no going concern currently exists.

EXHIBIT D
Merrimack Village District
Schedule of the District's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2017

Fiscal Year End	Valuation Date	District's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	District Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2017	July 1, 2016	0.02367885%	\$ 1,259,145	\$ 777,827	161.88%	58.30%
June 30, 2016	July 1, 2015	0.02360000%	\$ 935,021	\$ 758,465	123.28%	65.47%
June 30, 2015	July 1, 2014	0.02280000%	\$ 854,919	\$ 707,766	120.79%	66.32%
June 30, 2014	July 1, 2013	0.02360000%	\$ 1,014,923	\$ 691,486	146.77%	59.81%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT E
Merrimack Village District
Schedule of District Contributions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2017

Fiscal Year End	Valuation Date	Contractually Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2017	July 1, 2016	\$ 84,789	\$ 84,789	\$ -	\$ 777,827	10.90%
June 30, 2016	July 1, 2015	\$ 79,184	\$ 79,184	\$ -	\$ 758,465	10.44%
June 30, 2015	July 1, 2014	\$ 73,891	\$ 73,891	\$ -	\$ 707,766	10.44%
June 30, 2014	July 1, 2013	\$ 58,638	\$ 58,638	\$ -	\$ 691,486	8.48%

The note to the required supplementary information is an integral part of this schedule.

MERRIMACK VILLAGE DISTRICT, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Schedule of the District's Proportionate Share of Net Pension Liability & Schedule of Town Contributions

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the District's pension plan at June 30, 2017, and the three preceding years.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	23 Years beginning July 1, 2016 (30 years beginning July 1, 2009)
Asset Valuation Method	5-Year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.85% per year
Investment Rate of Return	7.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

Other Information:

Notes Contribution rates for Fiscal Year 2014 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.

MERRIMACK VILLAGE DISTRICT
LONG-TERM DEBT SCHEDULE
JUNE 30, 2017

		2002 Bean Road Main Line Bonds \$1,500,000 4.45% / 20 Yr Term	2011 New Well Development Bond \$835,000 3.61% / 15 Yr Term	2011 Continental Blvd Main Line Bond \$2,800,000 3.8248% / 20 Yr Term	2016 Well 7&8 Treatment Facility DWSRF Loan \$4,300,000 1.96% / 20 Yr Term	TOTAL
Year End June 30	P / I					
2018	P	75,000.00	55,000.00	130,000.00	180,566.45	440,566.45
	I	17,733.50	18,600.00	84,500.00	81,393.42	202,226.92
2019	P	75,000.00	55,000.00	130,000.00	184,105.55	444,105.55
	I	13,953.00	16,400.00	79,300.00	77,854.32	187,507.32
2020	P	75,000.00	55,000.00	130,000.00	187,714.02	447,714.02
	I	13,125.00	14,200.00	74,100.00	74,245.85	175,670.85
2021	P	75,000.00	55,000.00	130,000.00	191,393.22	451,393.22
	I	9,375.00	12,000.00	67,600.00	70,566.65	159,541.65
2022	P	75,000.00	55,000.00	130,000.00	195,144.52	455,144.52
	I	5,625.00	9,800.00	61,100.00	66,815.35	143,340.35
2023	P	75,000.00	55,000.00	130,000.00	198,969.36	458,969.36
	I	1,875.00	7,600.00	54,600.00	62,990.51	127,065.51
2024	P		50,000.00	130,000.00	202,869.16	382,869.16
	I		5,500.00	48,100.00	59,090.71	112,690.71
2025	P		50,000.00	130,000.00	206,845.39	386,845.39
	I		3,500.00	41,600.00	55,114.48	100,214.48
2026	P		50,000.00	130,000.00	210,899.56	390,899.56
	I		1,250.00	35,100.00	51,060.31	87,410.31
2027	P			130,000.00	215,033.19	345,033.19
	I			28,762.50	46,926.68	75,689.18
2028	P			130,000.00	219,247.84	349,247.84
	I			22,587.50	42,712.03	65,299.53
2029	P			130,000.00	223,545.10	353,545.10
	I			16,250.00	38,414.77	54,664.77
2030	P			130,000.00	227,926.59	357,926.59
	I			9,750.00	34,033.28	43,783.28
2031	P			130,000.00	232,393.95	362,393.95
	I			3,250.00	29,565.92	32,815.92
2032	P				236,948.87	236,948.87
	I				25,011.00	25,011.00
2033	P				241,593.07	241,593.07
	I				20,366.80	20,366.80
2034	P				246,328.29	246,328.29
	I				15,631.58	15,631.58
2035	P				251,156.32	251,156.32
	I				10,803.55	10,803.55
2036	P				300,045.00	300,045.00
	I				5,880.88	5,880.88
Principal	P	450,000.00	480,000.00	1,820,000.00	4,152,725.45	6,902,725.45
Interest	I	61,686.50	88,850.00	626,600.00	868,478.09	1,645,614.59

TOTAL PRINCIPAL & INTEREST **8,548,340.04**

* The bond interest rates listed are the true interest costs over the term of the bonds. The rates are variable from 3% to 5% over the term of the bonds.

**MERRIMACK VILLAGE DISTRICT
RATE SCHEDULE**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual Meter Charges										
5/8"	43.84	46.00	50.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00
1"	78.12	82.00	89.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
1 1/2"	121.00	127.00	137.00	148.00	148.00	148.00	148.00	148.00	148.00	148.00
2"	179.20	188.00	203.00	219.00	219.00	219.00	219.00	219.00	219.00	219.00
3"	270.48	284.00	307.00	332.00	332.00	332.00	332.00	332.00	332.00	332.00
4"	420.00	441.00	476.00	514.00	514.00	514.00	514.00	514.00	514.00	514.00
6"	785.64	824.00	902.00	961.00	961.00	961.00	961.00	961.00	961.00	961.00
8"	1,220.00	1,280.00	1,382.00	1,493.00	1,493.00	1,493.00	1,493.00	1,493.00	1,493.00	1,493.00
10"	1,720.00	1,805.00	1,949.00	2,105.00	2,105.00	2,105.00	2,105.00	2,105.00	2,105.00	2,105.00
12"	3,060.00	3,211.00	3,468.00	3,745.00	3,745.00	3,745.00	3,745.00	3,745.00	3,745.00	3,745.00

Annual Sprinkler Charges										
2"	129.84	161.00	174.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00
4"	259.84	322.00	348.00	376.00	376.00	376.00	376.00	376.00	376.00	376.00
6"	584.28	724.00	782.00	845.00	845.00	845.00	845.00	845.00	845.00	845.00
8"	1,038.72	1,288.00	1,391.00	1,502.00	1,502.00	1,502.00	1,502.00	1,502.00	1,502.00	1,502.00
10"	1,800.00	2,232.00	2,411.00	2,604.00	2,604.00	2,604.00	2,604.00	2,604.00	2,604.00	2,604.00
12"	2,337.12	2,898.00	3,130.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00	3,380.00

Annual Hydrant Charges										
Domestic	45.00	56.00	60.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
Mercantile	100.00	112.00	121.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00
Industrial	240.00	280.00	302.00	326.00	326.00	326.00	326.00	326.00	326.00	326.00

Water Charges - Cost per 100 Cubic Feet										
	\$1.55	\$1.65	\$1.80	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95

Water System Improvements
Merrimack Village District
Capital Improvements Plan FY 2019
2/12/2018

Projects	Notes/Reference	Source	Total	Ongoing	10-Year CIP										PB TBD				
				Previous	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028					
New Well Site Installation	Master Plan	Bond	\$1,500,000				\$1,500,000												
New Well Treatment	Master Plan	Bud/Bond	\$10,000			\$10,000													
Well #3 Treatment	Master Plan	Bud/Bond	\$4,525,000			\$25,000				\$4,500,000									
Well #4/#5 Treatment	PFA5	CR/Other	\$4,100,000			\$4,100,000													
Well 5 Pumps/controls	Asset Management	CR	\$200,000			\$200,000													
Lime Station Improvements - Well #2	Master Plan, Study Phase, then implementation	Bud/Bond	\$20,000	\$20,000															
Well Building Evaluation (#2, #7)	Lime Study	Bud				\$20,000													
Well #7 short term and long term Improvements	Lime Study	Bud				\$190,000													
Well level monitoring, SCADA/GIS/IT Improvements	Master Plan, Study Phase, then implementation	Bud/CR	\$610,000			\$10,000	\$300,000	\$300,000											
Turkey Hill Booster Station	Master Plan	Bud/Bond	\$1,310,000	\$10,000		\$1,300,000													
Rte. 3 North Improvements	Eliminate Parallel Mains and Main Improve.	Private				TBD													
Belmont Booster Station Pumps/controls Equipment	Asset Management	CR	\$50,000				\$50,000												
Backhoe/Loader	Master Plan	CR	\$135,000			\$135,000													
Portable Pressure Pump/High Service	Replacement of 1995 JCB W-30	CR	\$70,000			\$70,000													
W-15 1990 International Dump Truck replacement	Booster Pumping Station Evaluation	CR				TBD	TBD												
W-25 1998 1 1/2 ton International Service Truck		TBD																	
Town Coordination Projects		TBD																	
Executive Park Drive, Wire Road, Bedford Road Bridge, Route 3 Bridge	Master Plan	CR				TBD													
Other	Town Project	CR				TBD													
Distribution System Improvements (Annual Funding to support CIP/AM)	Various Pavement Projects	CR				TBD													
Well, Tank and Pumping Facilities	Asset Management - Target CR Contribution	Budget	\$7,000,000			\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
TOTAL	Asset Management - Target CR Contribution	Budget	\$1,400,000			\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
						\$6,655,000	\$1,085,000	\$2,690,000	\$1,140,000	\$1,140,000	\$5,340,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000

Projects	Notes/Reference	10-Year CIP										PB TBD								
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028									
Bond/SRF			\$1,300,000	\$1,500,000						\$4,500,000										
Capital Reserves			\$205,000	\$200,000	\$350,000	\$300,000														
Budget - Operating			\$210,000	\$45,000																
Budget - Capital Reserve Contributions	Target for Asset Management		\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	
Private/Other	To Be Determined		\$4,100,000																	
TOTAL			\$6,655,000	\$1,085,000	\$2,690,000	\$1,140,000	\$1,140,000	\$5,340,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	\$840,000	

Completed Projects
Storage tank improvements and coatings
Well #7 and #8 - Iron and Manganese Facility
Sunset Drive, Dawn Ave. and High Noon waterline extension
McGaw Bridge new 8" water main (by Town)
Bean Road Bridge - water main relocation and directional drill (by Town)

Future Projects (>20 years)
Well #6 Treatment Facility
New Well - Mitchell Woods
Future Storage Tank

Projects on Hold
Blending of Wells 6, 7 & 8
Increase Production of Well #2
New MWD Office

PB Action (RSA 647.6)
Urgent - Cannot be delayed
Necessary - Needed within 3 years to maintain LOS
Desirable - Needed within 4 to 5 years to improve LOS
Deferable - Can be placed on hold
Premature - Needs more research
Inconsistent - Contrary to land use planning
N/A - PB took no action on these items (not Capital)

Water System Improvements
Merrimack Village District
Capital Improvements Plan FY 2019
2/12/2018

Projects	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
New Well Site Installation			\$1,500,000			
New Well Treatment		\$10,000	TBD			
Well #3 Treatment		\$25,000			\$4,500,000	
Well #4/#5 Treatment	\$4,100,000					
Well 5 Pumps/controls		\$200,000				
Lime Station Improvements - Well #2		TBD				
Well Building Evaluation (#2, #3, #7)	\$20,000					
Well #7 short term and long term improvements	\$190,000					
Well level monitoring, SCADA/GIS/IT improvements		\$10,000	\$300,000	\$300,000		
Turkey Hill Booster Station	\$1,300,000					
Rte. 3 North Improvements	TBD					
Belmont Booster Station Pumps/controls			\$50,000			
Equipment						
Backhoe/Loader	\$135,000					
Portable Pressure Pump/High Service	\$70,000					
W-15 1990 International Dump Truck replacement				TBD		
W-25 1998 1 ½ ton International Service Truck				TBD		
<u>Town Coordination Projects</u>						
Executive Park Drive, Wire Road, Bedford Road Bridge, Route 3 Bridge	TBD					
Other	TBD					
Distribution System Improvements (Annual Funding to support CIP/AM)	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
Well, Tank and Pumping Facilities	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
TOTAL	\$6,655,000	\$1,085,000	\$2,690,000	\$1,140,000	\$5,340,000	\$840,000

Completed and Ongoing Projects

Storage tank improvements and coatings
Well #7 and #8 - Iron and Manganese Facility
Sunset Drive, Dawn Ave. and High Noon waterline extension
McGaw Bridge new 8" water main (by Town)
Bean Road Bridge - water main relocation and directional drill (by Town)

Future Projects (>20 years)

Well #6 Treatment Facility
New Well - Mitchell Woods
Future Storage Tank

Projects on Hold

Blending of Wells 6, 7 & 8
Increase Production of Well #2
New MVD Office

**MERRIMACK VILLAGE DISTRICT
SUMMARY OF PROJECTS
(FISCAL YEAR 2019)
12-Feb-18**

<u>Project</u>	<u>Explanation</u>
New Well Site Installation	Estimated cost for engineering and construction for new well.
New Well Treatment	TBD depending on water quality of new well. Preliminary planning report to be prepared in advance of treatment.
Well #3 Treatment	Planned improvements for Fe/Mn treatment at Well #3. A study phase is proposed to identify cost effective alternatives. This evaluation will coincide with potential treatment for the new well so treatment considerations will be coordinated for both.
Well #4/#5 Treatment	Proposed water treatment plant to treat wells #4 and #5 for PFAS. Preliminary design phase work is completed. Final funding for project is in process.
Well 5 Pumps/controls	Planned improvements to upgrade the pumps and controls and Well #5 due to ageing equipment
Lime Station Improvements - Well #2	Existing chemical feed facilities have reached the end of their useful life. Improvements are needed. A study phase will be completed first to evaluate alternative chemicals, such as caustic and to provide updated costs.
Well Building Evaluation (#2, #3, #7)	Additional evaluation to consider improvements to chemical feed systems at Wells #2, #3, and #7.
Well #7 short term and long term Improvements	Proposed short and long-term improvements to the chemical feed systems at Well #7
Well level monitoring, SCADA/GIS/IT improvements	This work will be a continuation of ongoing SCADA and GIS improvements. The project will include a study phase evaluation first to update costs and identify the most effective way to connect well monitoring to the SCADA system.
Turkey Hill Booster Station	Based on UE's Master Plan to improve station. Station is aging and has reached the end of it's useful life. Parts and repairs for pumps are non-standard and expensive. Confined space and life safety issues exist as well. A study has been completed to identify recommended improvements.
Rte. 3 North Improvements	Master Plan identifies need to eliminate parallel mains in Rte. 3 north of Priscilla Lane. Transmission main improvements are also proposed to support pending mixed use development by Flatley. Much of work will likely be funded by the Developer.
Belmont Booster Station Pumps/controls	Planned improvements to upgrade the pumps and controls and the Belmont Booster station due to aging equipment
Equipment	Existing equipment is aged and in need of replacement.
Town Coordination Projects	Water projects that should be considered (if needed) as part of Town road/bridge projects. Costs and scope need to be determined on an as needed basis.

**MERRIMACK VILLAGE DISTRICT
SUMMARY OF PROJECTS
(FISCAL YEAR 2019)
12-Feb-18**

<u>Project</u>	<u>Explanation</u>
Distribution System Improvements (Annual Funding to support CIP/AM)	Suggested budget items to support asset management program of aging infrastructure. Per UE Asset Management Report.
Well, Tank and Pumping Facilities	Suggested budget items to support asset management program of aging infrastructure. Per UE Asset Management Report.

**MERRIMACK VILLAGE DISTRICT
WATER WORKS**



2018 / 2019 WARRANT & BUDGET

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 **All-Purpose Room** of the **James Mastricola Upper Elementary School at 26 Baboosic Lake Road** in said District on the 27th day of March 2018 at 7:00 PM to act upon the following:

ARTICLE 1: To choose two (2) Commissioner for a three-year (3) term of office. (Written ballot vote required)

ARTICLE 2: To choose one (1) Treasurer for a three-year (3) term of office. (Written ballot vote required)

ARTICLE 3: To choose one (1) Moderator for a two-year (2) term of office. (Written ballot vote required)

ARTICLE 4: Shall the Merrimack Village District vote to raise and appropriate a sum of one million three hundred thousand dollars (\$1,300,000) for the purpose of designing and constructing a water booster pumping station that will replace the Districts existing Turkey Hill Booster Pump Station. Such sum to be raised by the issuance of Serial Bonds or Notes not to exceed one million three hundred thousand dollars (\$1,300,000) under, and in compliance with, the provisions of the Municipal Finance Act (NH RSA 33) and to authorize the Board of Commissioners to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to take such other actions as may be necessary to effect the issuance, negotiation, sale and delivery of such bonds or notes as shall be in the best interests of the Merrimack Village District; to additionally participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and/or to participate in existing or future economic stimulus funding (i.e., ARRA), and to allow the Board of Commissioners to expend such monies as become available from the Federal and State Governments and pass any vote relating thereto and to authorize the Board of Commissioners to take any other action or to pass any other vote relative to said purpose; and to raise and appropriate the sum of thirty thousand dollars (30,000) for the purpose of 2018/2019 interest on said Bond or Serial Notes? (2/3 ballot vote required; polls must remain open for at least one hour)

Recommended by the Board of Commissioners (4-0-0)

ARTICLE 5: To see if the Merrimack Village District will vote to raise and appropriate the sum of \$3,602,322 for general municipal operations for the 2018-2019 fiscal year with said sum to come from water related charges. 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)

ARTICLE 6: 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 2018-2019 with said funds to come from water fees? 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)

ARTICLE 7: Shall the Merrimack Village District vote to raise and appropriate the sum of forty-eight thousand seven hundred and fifty dollars (\$48,750) under provisions of RSA 35:1, I and II to add to the District's "System Development Capital Reserve" fund for the future system expansion and improvement of the existing system? This sum to come from the fiscal year 2016-2017 surplus fund balance; these are the system development charges collected during the 2016-2017 budget year. (Majority vote required.)

Recommended by the Board of Commissioners (4-0-0)

ARTICLE 8: Shall the Merrimack Village District vote to raise and appropriate the sum of five hundred thousand dollars (\$500,000) under provisions of RSA 35:1, I and II to add to the District's "Equipment and Facilities Capital Reserve" fund for associated costs with existing storage, transmission and production of water? This sum to come from the fiscal year 2016-2017 surplus fund balance. (Majority vote required.)

Recommended by the Board of Commissioners (4-0-0)

ARTICLE 9: Shall the Merrimack Village District, effective May 1, 2018, include one Merrimack Town Councilor as a member of the MVD Board of Commissioners, in addition to those elected at the MVD annual meeting, and amend the bylaws to reflect this as applicable. (Majority vote required.)

Petitioned Warrant Article sponsored by Kathryn A. Stack

ARTICLE 10: Shall the district require that the Merrimack Village District and any successor organization ensure (1) the delivery of safe, clean and affordable drinking water, in adequate quantity to meet the needs of present and future consumers and (2) take measure for improving water quality including a source based solution for the presence of PFAS chemicals in our water and (3) maintain a focus on minimizing the impact of PFAS chemicals on consumer health in all challenges of water management by utilizing the body of knowledge currently available regarding water standards in other states, water system management and contemporary water technologies. (Majority vote required.)

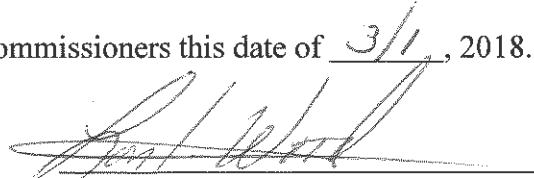
Petitioned Warrant Article sponsored by Laurene Allen

ARTICLE 11: Shall the district, effective immediately, require that the Merrimack Village District (MVD) cooperatively engage in a transition plan with the Town of Merrimack government (Town Council, Town Manager, and their assigns); to meet all legal and ethical requirements required to both (1.) disband the municipal entity, the MVD, and the Board of Commissioners currently managing the Merrimack, NH water system; and (2.) transfer complete oversight and management of the Merrimack NH Water Municipality, to the Town of Merrimack, NH. The dissolution of the MVD and transfer of responsibilities for, and management of the Merrimack, NH Water Municipality, is to occur on or before April 15, 2019, specific date to be determined by the Town of Merrimack.

The transition plan will include immediate and unrestricted access for Town of Merrimack government (Town Council, Town Manager, and their assigns) to any and all MVD sites/facilities/records/activities; and oversight of, all Merrimack water system related matters/ MVD affairs. The expectation is one of complete and thorough transparency into all business matters inclusive of those deemed non-public/ private/ confidential/ and/or any other term used to refer to protected information. This immediate transparency and oversight is to include full disclosure of the records and specifics of any and all legal matters MVD has engaged in, prior, at present, or anticipated; and for the Town of Merrimack, on behalf of its residents, to become a party to any legal proceedings related to Merrimack, NH water which they deem appropriate. (2/3 vote required)

Petitioned Warrant Article sponsored by Nancy A. Murphy

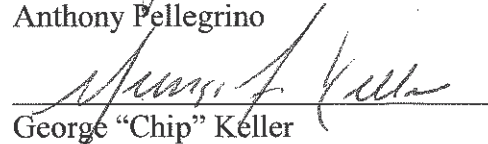
A true copy of WARRANT – attest Board of Commissioners this date of 3/1, 2018.



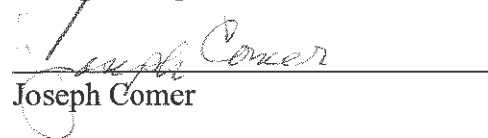
Lon Woods



Anthony Pellegrino



George "Chip" Keller



Joseph Comer

John "Jack" Balcom

MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
50010	Officers Salaries	9,498	10,395	10,495	10,495	
50100	Administrative Salaries	262,003	289,347	320,020	320,020	
50150	Employee Recognition	0	0	1,450	1,450	
50200	Field Staff Salaries	566,499	597,771	687,714	687,714	
50300	Unemployment Compensation	969	1,500	1,200	1,200	
50350	Employee Wellness Program	922	2,300	4,000	4,000	
50400	Social Security/ Medicare Employer Tax	71,690	68,100	77,895	77,895	
50450	Retirement - Employer Contribution	86,191	99,425	115,875	115,875	
50500	Health Insurance	233,504	260,000	324,000	324,000	
50525	Dental Insurance	18,918	22,100	19,200	19,200	
50550	Life/Short & Long Term Disability Insurance	4,741	6,900	8,000	8,000	
50575	Workers Compensation	11,843	12,000	13,000	13,000	

**MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY**

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
60000	Electricity	191,131	266,000	274,000	274,000	
60100	Telephone / Cable	16,908	17,000	18,100	18,100	
60200	Uniforms	4,277	4,700	4,800	4,800	
60225	Education/Seminars	2,500	2,500	4,800	4,800	
60250	Testing / Licensing	825	1,550	1,050	1,050	
60300	Water Purchase	42,932	5,200	5,000	5,000	
60400	Heating Fuel LPG/Propane	12,328	11,500	14,100	14,100	
60450	Gasoline	17,930	26,600	26,400	26,400	
60460	Diesel Fuel	1,366	3,000	3,500	3,500	
60500	Motor Vehicle Maintenance	16,810	19,000	22,000	22,000	
60600	Chemicals	114,672	150,000	150,818	150,818	
60700	Safety Supplies/Equipment	8,605	10,700	9,800	9,800	

MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
60800	Lease	10,897	11,000	10,000	10,000	
60850	Property Taxes	7,620	6,000	6,000	6,000	
70000	Tools	2,772	19,000	20,500	20,500	
70010	Office Equipment	3,128	44,850	11,200	11,200	
70020	Rentals	469	1,100	1,100	1,100	
70030	Town Sewer Rent / Septic Pump	1,559	2,500	2,500	2,500	
70050	Repairs & Maintenance - Backflows	337	1,000	1,000	1,000	
70100	Repairs & Maintenance - Communications Equipment	3,937	4,000	4,500	4,500	
70150	Repair & Maintenance - Corrosion Control	0	7,000	5,000	5,000	
70200	Main Lines & Entrances - Enhancements	10,544	14,000	21,000	21,000	
70250	Repairs & Maintenance - Entrances	3,094	9,000	16,500	16,500	
70300	Repairs & Maintenance - Hydrants	7,471	14,000	14,000	14,000	

MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
70400	Repairs & Maintenance - Main Lines	23,752	32,000	41,700	41,700	
70450	Repairs & Maintenance - Meters	23,812	50,000	50,000	50,000	
70500	Repairs & Maintenance - Monitoring Wells/Sampling/Divers	14,948	35,000	42,062	42,062	
70525	Repairs & Maintenance - Office Equipment	20,182	17,300	33,400	33,400	
70550	Repair & Maintenance - Pump Stations	58,157	37,500	65,000	65,000	
70600	Repairs & Maintenance - Structures	11,885	17,280	18,280	18,280	
70650	Repairs & Maintenance - Tanks	18,931	170,000	10,000	10,000	
70700	Repairs & Maintenance - Tools & Equipment	2,065	2,500	2,650	2,650	
70750	Repairs & Maintenance - Watershed	0	6,300	2,500	2,500	
80000	Office Supplies	12,749	18,000	18,000	18,000	
80100	Postage	11,569	24,000	24,000	24,000	
80125	Shipping / Freight / Fuel Charge	238	1,500	1,500	1,500	

MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
80150	Fees Miscellaneous	4,877	6,000	6,000	6,000	
80200	Dues / Subscriptions	2,270	2,200	3,000	3,000	
80300	Meeting Expense	1,690	1,400	2,500	2,500	
80350	Travel Expense	1,216	1,800	1,800	1,800	
80400	Advertising & Public Information Notices	5,318	1,850	4,750	4,750	
81400	Public Education	1,421	1,300	1,500	1,500	
81600	Land Improvement	0	2,000	2,000	2,000	
81700	Insurance General	26,362	27,500	26,300	26,300	
81800	Outside Services	39,443	48,200	38,600	38,600	
81900	Engineering	36,995	18,300	58,400	58,400	
81901	Inspections / Plan Reviews	0	1,000	0	0	
81950	Professional Fees	20,478	23,000	33,500	33,500	

MERRIMACK VILLAGE DISTRICT
2018 / 2019 BUDGET SUMMARY

Account #	Description	ACTUAL 2016 / 2017	APPROVED BUDGET 2017 / 2018	STAFF REQUESTED 2018 / 2019	BOC RECOMMENDED 2018 / 2019	ANNUAL MEETING 2018 / 2019
90000	Capital Budget Expense	59,375	95,000	252,250	252,250	
90050	Capital Reserve Fund	150,000	160,000	0	0	
90100	Bad Debts	303	500	500	500	
90200	Debt Service Principal	260,000	260,000	260,000	260,000	
90203	NHDES - DWSRF Loan Principal	147,275	180,566	184,106	184,106	
90300	Debt Service Interest	131,571	132,671	109,653	109,653	
90303	NHDES - DWSRF Loan Interest	114,685	81,394	77,854	77,854	
Total Operating Budget/Expense		2,950,457	3,477,099	3,602,322	3,602,322	0
<i>Petitioned Warrant Articles</i>		0	0	0	0	
<i>Individual Warrant Articles - Contingency Fund</i>		0	0	20,000	20,000	
<i>Special Warrant Articles - Transfers to Capital Reserve Funds</i>		529,440	540,000	548,750	548,750	
<i>Special Warrant Articles - Bonds/Notes (Capital Purchase-Incl. 1st Yr Interest)</i>		0	0	1,330,000	1,330,000	
TOTAL APPROPRIATIONS		3,479,897	4,017,099	5,501,072	5,501,072	0

MERRIMACK VILLAGE DISTRICT
ACTUAL & PROJECTED REVENUE 2012/2013 - 2018/2019

	<u>ACTUAL 2012/2013</u>	<u>ACTUAL 2013/2014</u>	<u>ACTUAL 2014/2015</u>	<u>ACTUAL 2015/2016</u>	<u>ACTUAL 2016/2017</u>	<u>APPROVED BUDGET 2016/2017</u>	<u>APPROVED BUDGET 2017/2018</u>	<u>STAFF PROJECTED 2018/2019</u>	<u>PROJECTED 2018/2019</u>	<u>BOC PROJECTED 2018/2019</u>
Domestic Water Sales	\$1,667,472	\$1,411,140	\$1,575,815	\$1,723,265	\$1,650,798	\$1,441,600	\$1,604,669	\$1,699,500	\$1,699,500	\$1,699,500
Mercantile Water Sales	\$190,432	\$188,448	\$199,119	\$220,286	\$214,711	\$183,900	\$206,101	\$291,272	\$291,272	\$291,272
Industrial Water Sales	\$90,961	\$93,798	\$84,864	\$89,804	\$69,018	\$88,834	\$102,085	\$33,950	\$33,950	\$33,950
Meter Charges	\$518,143	\$539,656	\$540,270	\$519,446	\$539,144	\$530,690	\$533,924	\$543,650	\$543,650	\$543,650
Fines	\$24,032	\$23,921	\$23,593	\$22,919	\$24,894	\$23,215	\$27,849	\$24,550	\$24,550	\$24,550
Transfer Fee	\$9,760	\$9,050	\$10,930	\$11,820	\$11,810	\$9,500	\$11,913	\$15,900	\$15,900	\$15,900
Hydrant Charges	\$778,083	\$647,598	\$647,046	\$648,952	\$654,835	\$670,000	\$690,909	\$663,300	\$663,300	\$663,300
Sprinkler Charges	\$121,940	\$118,166	\$124,386	\$123,572	\$124,185	\$121,400	\$127,994	\$126,550	\$126,550	\$126,550
Interest	\$514	\$431	\$372	\$2,071	\$6,668	\$300	\$755	\$12,000	\$12,000	\$12,000
Communication Tower Rental	\$36,238	\$39,986	\$40,146	\$36,846	\$46,851	\$39,000	\$39,700	\$86,050	\$86,050	\$86,050
Miscellaneous Income	\$6,127	\$46,594	\$43,569	\$33,192	\$4,242	\$40,000	\$41,300	\$10,000	\$10,000	\$10,000
Service Charge Mains	\$0	\$0	\$0	\$0	\$3,537	\$1,000	\$500	\$1,250	\$1,250	\$1,250
Service Charge Hydrant Hook-Ups	\$1,419	\$1,688	\$1,384	\$285	\$1,308	\$1,500	\$1,300	\$1,050	\$1,050	\$1,050
Service Charge Turn On/Off Water	\$16,110	\$12,057	\$10,503	\$8,460	\$11,853	\$17,000	\$10,300	\$14,600	\$14,600	\$14,600
Miscellaneous Service Charges	\$11,337	\$6,532	\$11,043	\$11,091	\$14,928	\$10,000	\$10,900	\$12,750	\$12,750	\$12,750
Service Charge Backflow Test	\$31,850	\$47,128	\$34,700	\$38,743	\$33,250	\$33,000	\$36,300	\$36,700	\$36,700	\$36,700
Service Charge Entrances	\$35,495	\$15,335	\$35,231	\$26,555	\$83,929	\$21,500	\$26,300	\$26,500	\$26,500	\$26,500
Merchandise Sales	\$2,361	\$2,860	\$4,928	\$2,262	\$791	\$3,000	\$3,300	\$2,750	\$2,750	\$2,750
System Development Charge	\$33,727	\$0	\$0	\$0	\$48,750	\$20,000	\$0	\$0	\$0	\$0
Legal Fee Reimbursements	\$720	\$360	\$0	\$360	\$0	\$1,000	\$0	\$0	\$0	\$0
Inspection / Plan Reviews	\$1,603	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$0	\$0	\$0
Overtime Estimate (Reimbursable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Received from State Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$3,578,324	\$3,204,748	\$3,387,899	\$3,519,929	\$3,545,502	\$3,257,439	\$3,477,099	\$3,602,322	\$3,602,322	\$3,602,322



Proposed Budget

Merrimack Village

For the period beginning July 1, 2018 and ending June 30, 2019

Form Due Date: 20 Days after the Annual Meeting

This form was posted with the warrant on: March 12, 2018

GOVERNING BODY CERTIFICATION

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.

Name	Position	Signature
Lon S. Woods	Commissioner	
Tom Pellego	" "	
JOSEPH COMER	" "	
GEORGE F. KEUER	" "	

This form must be signed, scanned, and uploaded to the Municipal Tax Rate Setting Portal:
<https://www.proptax.org/>

For assistance please contact:
NH DRA Municipal and Property Division
(603) 230-5090
<http://www.revenue.nh.gov/mun-prop/>



Appropriations

Account	Purpose	Article	Appropriations Prior Year as Approved by DRA	Actual Expenditures	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
General Government						
0000-0000	Collective Bargaining		\$0	\$0	\$0	\$0
4130-4139	Executive		\$0	\$0	\$0	\$0
4140-4149	Election, Registration, and Vital Statistics		\$0	\$0	\$0	\$0
4150-4151	Financial Administration		\$0	\$0	\$0	\$0
4152	Revaluation of Property		\$0	\$0	\$0	\$0
4153	Legal Expense		\$0	\$0	\$0	\$0
4155-4159	Personnel Administration		\$0	\$0	\$0	\$0
4191-4193	Planning and Zoning		\$0	\$0	\$0	\$0
4194	General Government Buildings		\$0	\$0	\$0	\$0
4195	Cemeteries		\$0	\$0	\$0	\$0
4196	Insurance		\$0	\$0	\$0	\$0
4197	Advertising and Regional Association		\$0	\$0	\$0	\$0
4199	Other General Government		\$0	\$0	\$0	\$0
	General Government Subtotal		\$0	\$0	\$0	\$0
Public Safety						
4210-4214	Police		\$0	\$0	\$0	\$0
4215-4219	Ambulance		\$0	\$0	\$0	\$0
4220-4229	Fire		\$0	\$0	\$0	\$0
4240-4249	Building Inspection		\$0	\$0	\$0	\$0
4290-4298	Emergency Management		\$0	\$0	\$0	\$0
4299	Other (Including Communications)		\$0	\$0	\$0	\$0
	Public Safety Subtotal		\$0	\$0	\$0	\$0
Airport/Aviation Center						
4301-4309	Airport Operations		\$0	\$0	\$0	\$0
	Airport/Aviation Center Subtotal		\$0	\$0	\$0	\$0
Highways and Streets						
4311	Administration		\$0	\$0	\$0	\$0
4312	Highways and Streets		\$0	\$0	\$0	\$0
4313	Bridges		\$0	\$0	\$0	\$0
4316	Street Lighting		\$0	\$0	\$0	\$0
4319	Other		\$0	\$0	\$0	\$0
	Highways and Streets Subtotal		\$0	\$0	\$0	\$0



Appropriations

Account	Purpose	Article	Appropriations Prior Year as Approved by DRA	Actual Expenditures	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
Sanitation						
4321	Administration		\$0	\$0	\$0	\$0
4323	Solid Waste Collection		\$0	\$0	\$0	\$0
4324	Solid Waste Disposal		\$0	\$0	\$0	\$0
4325	Solid Waste Cleanup		\$0	\$0	\$0	\$0
4326-4328	Sewage Collection and Disposal		\$0	\$0	\$0	\$0
4329	Other Sanitation		\$0	\$0	\$0	\$0
Sanitation Subtotal			\$0	\$0	\$0	\$0
Water Distribution and Treatment						
4331	Administration	05	\$392,243	\$1,022,233	\$1,109,715	\$0
4332	Water Services	05	\$1,577,308	\$522,186	\$658,797	\$0
4335	Water Treatment	05	\$393,462	\$693,131	\$949,947	\$0
4338-4339	Water Conservation and Other		\$0	\$0	\$0	\$0
Water Distribution and Treatment Subtotal			\$2,363,013	\$2,237,550	\$2,718,459	\$0
Electric						
4351-4352	Administration and Generation		\$0	\$0	\$0	\$0
4353	Purchase Costs		\$0	\$0	\$0	\$0
4354	Electric Equipment Maintenance		\$0	\$0	\$0	\$0
4359	Other Electric Costs		\$0	\$0	\$0	\$0
Electric Subtotal			\$0	\$0	\$0	\$0
Health						
4411	Administration		\$0	\$0	\$0	\$0
4414	Pest Control		\$0	\$0	\$0	\$0
4415-4419	Health Agencies, Hospitals, and Other		\$0	\$0	\$0	\$0
Health Subtotal			\$0	\$0	\$0	\$0
Welfare						
4441-4442	Administration and Direct Assistance		\$0	\$0	\$0	\$0
4444	Intergovernmental Welfare Payments		\$0	\$0	\$0	\$0
4445-4449	Vendor Payments and Other		\$0	\$0	\$0	\$0
Welfare Subtotal			\$0	\$0	\$0	\$0
Culture and Recreation						
4520-4529	Parks and Recreation		\$0	\$0	\$0	\$0
4550-4559	Library		\$0	\$0	\$0	\$0
4583	Patriotic Purposes		\$0	\$0	\$0	\$0
4589	Other Culture and Recreation		\$0	\$0	\$0	\$0
Culture and Recreation Subtotal			\$0	\$0	\$0	\$0



Appropriations

Account	Purpose	Article	Appropriations Prior Year as Approved by DRA	Actual Expenditures	Appropriations Ensuig FY (Recommended)	Appropriations Ensuig FY (Not Recommended)
Conservation and Development						
4611-4612	Administration and Purchasing of Natural Resources		\$0	\$0	\$0	\$0
4619	Other Conservation		\$0	\$0	\$0	\$0
4631-4632	Redevelopment and Housing		\$0	\$0	\$0	\$0
4651-4659	Economic Development		\$0	\$0	\$0	\$0
Conservation and Development Subtotal			\$0	\$0	\$0	\$0
Debt Service						
4711	Long Term Bonds and Notes - Principal	05	\$260,000	\$407,275	\$444,106	\$0
4721	Long Term Bonds and Notes - Interest	05	\$424,426	\$246,256	\$187,507	\$0
4723	Tax Anticipation Notes - Interest		\$0	\$0	\$0	\$0
4790-4799	Other Debt Service		\$0	\$0	\$0	\$0
Debt Service Subtotal			\$684,426	\$653,531	\$631,613	\$0
Capital Outlay						
4901	Land		\$0	\$0	\$0	\$0
4902	Machinery, Vehicles, and Equipment	05	\$60,000	\$59,375	\$252,250	\$0
4903	Buildings		\$0	\$0	\$0	\$0
4909	Improvements Other than Buildings		\$0	\$0	\$0	\$0
Capital Outlay Subtotal			\$60,000	\$59,375	\$252,250	\$0
Operating Transfers Out						
4912	To Special Revenue Fund		\$150,000	\$0	\$0	\$0
4913	To Capital Projects Fund		\$0	\$0	\$0	\$0
4914A	To Proprietary Fund - Airport		\$0	\$0	\$0	\$0
4914E	To Proprietary Fund - Electric		\$0	\$0	\$0	\$0
4914O	To Proprietary Fund - Other		\$0	\$0	\$0	\$0
4914S	To Proprietary Fund - Sewer		\$0	\$0	\$0	\$0
4914W	To Proprietary Fund - Water		\$0	\$0	\$0	\$0
4918	To Non-Expendable Trust Funds		\$0	\$0	\$0	\$0
4919	To Fiduciary Funds		\$0	\$0	\$0	\$0
Operating Transfers Out Subtotal			\$150,000	\$0	\$0	\$0
Total Operating Budget Appropriations			\$3,257,439	\$2,950,456	\$3,602,322	\$0



Special Warrant Articles

Account	Purpose	Article	Appropriations Prior Year as Approved by DRA	Actual Expenditures	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
4721	Long Term Bonds and Notes - Interest	04	\$0	\$0	\$30,000	\$0
<i>Purpose: To replace the Turkey Hill Booster Station</i>						
4909	Improvements Other than Buildings	04	\$0	\$0	\$1,300,000	\$0
<i>Purpose: To replace the Turkey Hill Booster Station</i>						
4915	To Capital Reserve Fund	07	\$0	\$0	\$48,750	\$0
<i>Purpose: To add surplus funds to Capital Reserve</i>						
4915	To Capital Reserve Fund	08	\$0	\$0	\$500,000	\$0
<i>Purpose: To add surplus funds to Capital Reserve</i>						
Total Proposed Special Articles			\$0	\$0	\$1,878,750	\$0



Individual Warrant Articles

Account	Purpose	Article	Appropriations Prior Year as Approved by DRA	Actual Expenditures	Appropriations Ensuing FY (Recommended)	Appropriations Ensuing FY (Not Recommended)
4199	Other General Government	06	\$0	\$0	\$20,000	\$0
<i>Purpose: To establish a contingency fund</i>						
Total Proposed Individual Articles			\$0	\$0	\$20,000	\$0



Revenues

Account	Source	Article	Estimated Revenues Prior Year	Actual Revenues	Estimated Revenues Ensuing Year
Taxes					
3120	Land Use Change Tax - General Fund		\$0	\$0	\$0
3180	Resident Tax		\$0	\$0	\$0
3185	Yield Tax		\$0	\$0	\$0
3186	Payment in Lieu of Taxes		\$0	\$0	\$0
3187	Excavation Tax		\$0	\$0	\$0
3189	Other Taxes		\$0	\$0	\$0
3190	Interest and Penalties on Delinquent Taxes		\$0	\$0	\$0
9991	Inventory Penalties		\$0	\$0	\$0
Taxes Subtotal			\$0	\$0	\$0
Licenses, Permits, and Fees					
3210	Business Licenses and Permits		\$0	\$0	\$0
3220	Motor Vehicle Permit Fees		\$0	\$0	\$0
3230	Building Permits		\$0	\$0	\$0
3290	Other Licenses, Permits, and Fees		\$0	\$0	\$0
3311-3319	From Federal Government		\$0	\$0	\$0
Licenses, Permits, and Fees Subtotal			\$0	\$0	\$0
State Sources					
3351	Shared Revenues		\$0	\$0	\$0
3352	Meals and Rooms Tax Distribution		\$0	\$0	\$0
3353	Highway Block Grant		\$0	\$0	\$0
3354	Water Pollution Grant		\$0	\$0	\$0
3355	Housing and Community Development		\$0	\$0	\$0
3356	State and Federal Forest Land Reimbursement		\$0	\$0	\$0
3357	Flood Control Reimbursement		\$0	\$0	\$0
3359	Other (Including Railroad Tax)		\$0	\$0	\$0
3379	From Other Governments		\$0	\$0	\$0
State Sources Subtotal			\$0	\$0	\$0
Charges for Services					
3401-3406	Income from Departments	05, 04, 06	\$0	\$3,462,056	\$3,516,972
3409	Other Charges		\$3,120,924	\$0	\$0
Charges for Services Subtotal			\$3,120,924	\$3,462,056	\$3,516,972
Miscellaneous Revenues					
3501	Sale of Municipal Property		\$0	\$0	\$0
3502	Interest on Investments	05	\$300	\$6,668	\$12,000
3503-3509	Other	05	\$136,215	\$76,778	\$123,350
Miscellaneous Revenues Subtotal			\$136,515	\$83,446	\$135,350
Interfund Operating Transfers In					
3912	From Special Revenue Funds		\$0	\$0	\$0



Revenues

Account	Source	Article	Estimated Revenues Prior Year	Actual Revenues	Estimated Revenues Ensuing Year
Interfund Operating Transfers in					
3913	From Capital Projects Funds		\$0	\$0	\$0
3914A	From Enterprise Funds: Airport (Offset)		\$0	\$0	\$0
3914E	From Enterprise Funds: Electric (Offset)		\$0	\$0	\$0
3914O	From Enterprise Funds: Other (Offset)		\$0	\$0	\$0
3914S	From Enterprise Funds: Sewer (Offset)		\$0	\$0	\$0
3914W	From Enterprise Funds: Water (Offset)		\$0	\$0	\$0
3915	From Capital Reserve Funds		\$0	\$0	\$0
3916	From Trust and Fiduciary Funds		\$0	\$0	\$0
3917	From Conservation Funds		\$0	\$0	\$0
Interfund Operating Transfers In Subtotal			\$0	\$0	\$0
Other Financing Sources					
3934	Proceeds from Long Term Bonds and Notes	04	\$0	\$0	\$1,300,000
9998	Amount Voted from Fund Balance	08, 07	\$0	\$0	\$548,750
9999	Fund Balance to Reduce Taxes		\$0	\$0	\$0
Other Financing Sources Subtotal			\$0	\$0	\$1,848,750
Total Estimated Revenues and Credits			\$3,257,439	\$3,545,502	\$5,501,072



Budget Summary

Item	Prior Year	Ensuing FY (Recommended)
Operating Budget Appropriations	\$3,257,439	\$3,602,322
Special Warrant Articles	\$529,440	\$1,878,750
Individual Warrant Articles	\$20,000	\$20,000
Total Appropriations	\$3,806,879	\$5,501,072
Less Amount of Estimated Revenues & Credits	\$3,806,879	\$5,501,072
Estimated Amount of Taxes to be Raised	\$0	\$0



MERRIMACK VILLAGE DISTRICT

In Memory



James A. McSweeney

July 19, 1939 – February 2, 2018

Jim served as the Merrimack Village District Business Manager & Superintendent from 2004-2010. His leadership and dedication to the District, our community, his friends and most of all his beloved family will truly be missed and never forgotten.



2017 Employee Service Recognition

~ In Appreciation ~

<i>Jason Dubois</i>	<i>25 Years</i>
<i>Kevin Gurney</i>	<i>24 Years</i>
<i>Stephen Chase</i>	<i>20 Years</i>
<i>Ronald Miner</i>	<i>19 Years</i>
<i>Daniel St. Pierre</i>	<i>16 Years</i>
<i>James Colburn</i>	<i>16 Years</i>
<i>Edward Lambert</i>	<i>15 Years</i>
<i>Heinz Smith</i>	<i>11 Years</i>
<i>Jill Lavoie</i>	<i>10 Years</i>
<i>Brian Hieken</i>	<i>10 Years</i>
<i>David Fredrickson</i>	<i>6 Years</i>